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[Showing H.R. 1180 As Reported by the Subcommittee on Health and the Environment]

106TH CONGRESS
1ST SESSION

H. R. 1180

To amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1999

Mr. LAZIO (for himself, Mr. WAXMAN, Mr. BLILEY, Mr. DINGELL, Mrs. JOHNSON of Connecticut, Mr. MATSUI, Mr. BILIRAKIS, Mr. BROWN of Ohio, Mr. RAMSTAD, Mr. CARDIN, Mr. GREENWOOD, Ms. BALDWIN, Mr. CAMP, Mr. STARK, Mr. PICKERING, Mr. PALLONE, Mr. FOLEY, Mr. LEVIN, Mr. BILBRAY, Mr. TANNER, Mrs. MORELLA, Mr. DOGGETT, Mr. HORN, Mr. MURTHA, Mr. UPTON, Mr. STRICKLAND, Mrs. KELLY, Mr. HOEFFEL, Mr. BOEHLERT, Mr. BOUCHER, Mr. KOLBE, Ms. MCCARTHY of Missouri, Mr. FRELINGHUYSEN, Mr. MARKEY, Mr. BARRETT of Wisconsin, Mr. GORDON, Mr. RUSH, Mr. WYNN, Mr. MEEHAN, Mr. DELAHUNT, Mr. BARCIA, Mr. GREEN of Texas, Mr. KLINK, and Mr. JEFFERSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

[Insert the part printed in italic]

A BILL

To amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Work Incentives Improvement Act of 1999”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

TITLE I—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

Sec. 101. Expanding State options under the medicaid program for workers with disabilities.

Sec. 102. Continuation of medicare coverage for working individuals with disabilities.

Sec. 103. Grants to develop and establish State infrastructures to support working individuals with disabilities.

Sec. 104. Demonstration of coverage under the medicaid program of workers with potentially severe disabilities.

Sec. 105. Election by disabled beneficiaries to suspend medigap insurance when covered under a group health plan.

TITLE II—TICKET TO WORK AND SELF-SUFFICIENCY AND RELATED PROVISIONS

Subtitle A—Ticket to Work and Self-Sufficiency

Sec. 201. Establishment of the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Elimination of Work Disincentives

Sec. 211. Work activity standard as a basis for review of an individual's disabled status.

Sec. 212. Expedited reinstatement of disability benefits.

Subtitle C—Work Incentives Planning, Assistance, and Outreach

Sec. 221. Work incentives outreach program.

Sec. 222. State grants for work incentives assistance to disabled beneficiaries.

TITLE III—DEMONSTRATION PROJECTS AND STUDIES

Sec. 301. Permanent extension of disability insurance program demonstration project authority.

Sec. 302. Demonstration projects providing for reductions in disability insurance benefits based on earnings.

Sec. 303. Studies and reports.

TITLE IV—TECHNICAL AMENDMENTS

Sec. 401. Technical amendments relating to drug addicts and alcoholics.

Sec. 402. Treatment of prisoners.

Sec. 403. Revocation by members of the clergy of exemption from Social Security coverage.

Sec. 404. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

Sec. 405. Authorization for State to permit annual wage reports.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Health care is important to all Americans.

5 (2) Health care is particularly important to in-
6 dividuals with disabilities and special health care
7 needs who often cannot afford the insurance avail-
8 able to them through the private market, are unin-
9 surable by the plans available in the private sector,
10 and are at great risk of incurring very high and eco-
11 nomically devastating health care costs.

12 (3) Americans with significant disabilities often
13 are unable to obtain health care insurance that pro-

1 vides coverage of the services and supports that en-
2 able them to live independently and enter or rejoin
3 the workforce. Personal assistance services (such as
4 attendant services, personal assistance with trans-
5 portation to and from work, reader services, job
6 coaches, and related assistance) remove many of the
7 barriers between significant disability and work.
8 Coverage for such services, as well as for prescrip-
9 tion drugs, durable medical equipment, and basic
10 health care are powerful and proven tools for indi-
11 viduals with significant disabilities to obtain and re-
12 tain employment.

13 (4) For individuals with disabilities, the fear of
14 losing health care and related services is one of the
15 greatest barriers keeping the individuals from maxi-
16 mizing their employment, earning potential, and
17 independence.

18 (5) Individuals with disabilities who are bene-
19 ficiaries under title II or XVI of the Social Security
20 Act (42 U.S.C. 401 et seq., 1381 et seq.) risk losing
21 medicare or medicaid coverage that is linked to their
22 cash benefits, a risk that is an equal, or greater,
23 work disincentive than the loss of cash benefits asso-
24 ciated with working.

1 (6) Currently, less than 1/2 of 1 percent of so-
2 cial security disability insurance and supplemental
3 security income beneficiaries cease to receive benefits
4 as a result of employment.

5 (7) Beneficiaries have cited the lack of adequate
6 employment training and placement services as an
7 additional barrier to employment.

8 (8) If an additional 1/2 of 1 percent of the cur-
9 rent social security disability insurance (DI) and
10 supplemental security income (SSI) recipients were
11 to cease receiving benefits as a result of employ-
12 ment, the savings to the Social Security Trust
13 Funds in cash assistance would total
14 \$3,500,000,000 over the worklife of the individuals.

15 (b) PURPOSES.—The purposes of this Act are as fol-
16 lows:

17 (1) To provide health care and employment
18 preparation and placement services to individuals
19 with disabilities that will enable those individuals to
20 reduce their dependency on cash benefit programs.

21 (2) To encourage States to adopt the option of
22 allowing individuals with disabilities to purchase
23 medicaid coverage that is necessary to enable such
24 individuals to maintain employment.

(3) To provide individuals with disabilities the option of maintaining medicare coverage while working.

(4) To establish a return to work ticket program that will allow individuals with disabilities to seek the services necessary to obtain and retain employment and reduce their dependency on cash benefit programs.

9 **TITLE I—EXPANDED AVAILABIL-**
10 **ITY OF HEALTH CARE SERV-**
11 **ICES**

12 **SEC. 101. EXPANDING STATE OPTIONS UNDER THE MEDIC-**
13 **AID PROGRAM FOR WORKERS WITH DISABIL-**
14 **ITIES.**

15 (a) IN GENERAL.—

(1) STATE OPTION TO ELIMINATE INCOME, ASSETS, AND RESOURCE LIMITATIONS FOR WORKERS WITH DISABILITIES BUYING INTO MEDICAID.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

21 (A) in subclause (XIII), by striking “or”
22 at the end;

23 (B) in subclause (XIV), by adding “or” at
24 the end; and

25 (C) by adding at the end the following:

1 ability described in section 1905(v)(1)
2 and whose assets, resources, and
3 earned or unearned income (or both)
4 do not exceed such limitations (if any)
5 as the State may establish, but only if
6 the State provides medical assistance
7 to individuals described in subclause
8 (XV);”.

9 (B) DEFINITION OF EMPLOYED INDIVID-
10 UALS WITH A MEDICALLY IMPROVED DISABIL-
11 ITY.—Section 1905 of the Social Security Act
12 (42 U.S.C. 1396d) is amended by adding at the
13 end the following:

14 “(v)(1) The term ‘employed individual with a medi-
15 cally improved disability’ means an individual who—

16 “(A) is at least 16, but less than 65, years of
17 age;

18 “(B) is employed (as defined in paragraph (2));

19 “(C) ceases to be eligible for medical assistance
20 under section 1902(a)(10)(A)(ii)(XV) because the
21 individual, by reason of medical improvement, is de-
22 termined at the time of a regularly scheduled con-
23 tinuing disability review to no longer be eligible for
24 benefits under section 223(d) or 1614(a)(3); and

1 “(D) continues to have a severe medically deter-
2 minable impairment, as determined under regula-
3 tions of the Secretary.

4 “(2) For purposes of paragraph (1), an individual is
5 considered to be ‘employed’ if the individual—

6 “(A) is earning at least the applicable minimum
7 wage requirement under section 6 of the Fair Labor
8 Standards Act (29 U.S.C. 206) and working at least
9 40 hours per month; or

10 “(B) is engaged in a work effort that meets
11 substantial and reasonable threshold criteria for
12 hours of work, wages, or other measures, as defined
13 by the State and approved by the Secretary.”.

14 (C) CONFORMING AMENDMENT.—Section
15 1905(a) of such Act (42 U.S.C. 1396d(a)) is
16 amended in the matter preceding paragraph
17 (1)—

18 (i) in clause (x), by striking “or” at
19 the end;

20 (ii) in clause (xi), by adding “or” at
21 the end; and

22 (iii) by inserting after clause (xi), the
23 following:

24 “(xii) employed individuals with a medically im-
25 proved disability (as defined in subsection (v)),”.

1 (3) STATE AUTHORITY TO IMPOSE INCOME-RE-
2 LATED PREMIUMS AND COST-SHARING.—Section
3 1916 of such Act (42 U.S.C. 1396o) is amended—

4 (A) in subsection (a), by striking “The
5 State plan” and inserting “Subject to sub-
6 section (g), the State plan”; and

7 (B) by adding at the end the following:

8 “(g) With respect to individuals provided medical as-
9 sistance only under subclause (XV) or (XVI) of section
10 1902(a)(10)(A)(ii), a State may (in a uniform manner for
11 individuals described in either such subclause)—

12 “(1) require such individuals to pay premiums
13 or other cost-sharing charges set on a sliding scale
14 based on income that the State may determine; and

15 “(2) require payment of 100 percent of such
16 premiums in the case of such an individual who has
17 income that exceeds 250 percent of the income offi-
18 cial poverty line (referred to in subsection (c)(1)) ap-
19 plicable to a family of the size involved.”.

20 (4) PROHIBITION AGAINST SUPPLANTATION OF
21 STATE FUNDS AND STATE FAILURE TO MAINTAIN
22 EFFORT.—Section 1903(i) of such Act (42 U.S.C.
23 1396b(i)) is amended—

24 (A) by striking the period at the end of
25 paragraph (18) and inserting “; or”; and

1 (B) by inserting after such paragraph the
2 following:

3 “(19) with respect to amounts expended for
4 medical assistance provided to an individual de-
5 scribed in subclause (XV) or (XVI) of section
6 1902(a)(10)(A)(ii) for a fiscal year unless the State
7 demonstrates to the satisfaction of the Secretary
8 that the level of State funds expended for such fiscal
9 year for programs to enable working individuals with
10 disabilities to work (other than for such medical as-
11 sistance) is not less than the level expended for such
12 programs during the most recent State fiscal year
13 ending before the date of enactment of this para-
14 graph.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1903(f)(4) of the Social Security
17 Act (42 U.S.C. 1396b(f)(4)) is amended in the mat-
18 ter preceding subparagraph (A) by inserting
19 “1902(a)(10)(A)(ii)(XV), 1902(a)(10)(A)(ii)(XVI)”
20 after “1902(a)(10)(A)(ii)(X),”.

21 (2) Section 1903(f)(4) of such Act, as amended
22 by paragraph (1), is amended by inserting
23 “1902(a)(10)(A)(ii)(XIII),” before
24 “1902(a)(10)(A)(ii)(XV)”.

25 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 apply to medical assistance for items and services
4 furnished on or after October 1, 1999.

5 (2) RETROACTIVITY OF CONFORMING AMEND-
6 MENT.—The amendment made by subsection (b)(2)
7 takes effect as if included in the enactment of the
8 Balanced Budget Act of 1997.

9 **SEC. 102. CONTINUATION OF MEDICARE COVERAGE FOR**
10 **WORKING INDIVIDUALS WITH DISABILITIES.**

11 (a) CONTINUATION OF COVERAGE.—

12 (1) IN GENERAL.—Section 226 of the Social
13 Security Act (42 U.S.C. 426) is amended—

14 (A) in the third sentence of subsection (b),
15 by inserting “, except as provided in subsection
16 (j)” after “but not in excess of 24 such
17 months”; and

18 (B) by adding at the end the following:

19 “(j) The 24-month limitation on deemed entitlement
20 under the third sentence of subsection (b) shall not
21 apply—

22 “(1) for months occurring during the 10-year
23 period beginning with the first month that begins
24 after the date of enactment of this subsection; and

1 “(2) for subsequent months, in the case of an
2 individual who was entitled to benefits under sub-
3 section (b) as of the last month of such 10-year pe-
4 riod and would continue (but for such 24-month lim-
5 itation) to be so entitled.”.

6 (2) CONFORMING AMENDMENT.—Section
7 1818A(a)(2)(C) of the Social Security Act (42
8 U.S.C. 1395i–2a(a)(2)(C)) is amended—

9 (A) by striking “solely”; and

10 (B) by inserting “or the expiration of the
11 last month of the 10-year period described in
12 section 226(j)” before the semicolon.

13 (b) GAO REPORT.—Not later than 8 years after the
14 date of the enactment of this Act, the Comptroller General
15 of the United States shall submit a report to Congress
16 that—

17 (1) examines the effectiveness and cost of sub-
18 section (j) of section 226 of the Social Security Act
19 (42 U.S.C. 426); and

20 (2) recommends whether that subsection should
21 continue to be applied beyond the 10-year period de-
22 scribed in the subsection.

23 (c) EFFECTIVE DATE.—The amendments made by
24 subsection (a) apply to months beginning with the first

1 month that begins after the date of the enactment of this
2 Act.

3 (d) TREATMENT OF CERTAIN INDIVIDUALS.—An in-
4 dividual enrolled under section 1818A of the Social Secu-
5 rity Act (42 U.S.C. 1395i–2a) shall be treated with re-
6 spect to premium payment obligations under such section
7 as though the individual had continued to be entitled to
8 benefits under section 226(b) of such Act for—

9 (1) months described in section 226(j)(1) of
10 such Act (42 U.S.C. 426(j)(1)) (as added by sub-
11 section (a)); and

12 (2) subsequent months, in the case of an indi-
13 vidual who was so enrolled as of the last month de-
14 scribed in section 226(j)(2) of such Act (42 U.S.C.
15 426(j)(2)) (as so added).

16 **SEC. 103. GRANTS TO DEVELOP AND ESTABLISH STATE IN-**
17 **FRAStructures TO SUPPORT WORKING IN-**
18 **DIVIDUALS WITH DISABILITIES.**

19 (a) ESTABLISHMENT.—

20 (1) IN GENERAL.—The Secretary of Health and
21 Human Services (in this section referred to as the
22 “Secretary”) shall award grants described in sub-
23 section (b) to States to support the design, establish-
24 ment, and operation of State infrastructures that

1 provide items and services to support working indi-
2 viduals with disabilities.

3 (2) APPLICATION.—In order to be eligible for
4 an award of a grant under this section, a State shall
5 submit an application to the Secretary at such time,
6 in such manner, and containing such information as
7 the Secretary shall require.

8 (3) DEFINITION OF STATE.—In this section,
9 the term “State” means each of the 50 States, the
10 District of Columbia, Puerto Rico, Guam, the
11 United States Virgin Islands, American Samoa, and
12 the Commonwealth of the Northern Mariana Is-
13 lands.

14 (b) GRANTS FOR INFRASTRUCTURE AND OUT-
15 REACH.—

16 (1) IN GENERAL.—Out of the funds appro-
17 priated under subsection (e), the Secretary shall
18 award grants to States to—

19 (A) support the establishment, implemen-
20 tation, and operation of the State infrastruc-
21 tures described in subsection (a); and

22 (B) conduct outreach campaigns regarding
23 the existence of such infrastructures.

24 (2) ELIGIBILITY FOR GRANTS.—

1 (A) IN GENERAL.—No State may receive a
2 grant under this subsection unless the State—

3 (i) has an approved amendment to the
4 State plan under title XIX of the Social
5 Security Act (42 U.S.C. 1396 et seq.) that
6 provides medical assistance under such
7 plan to individuals described in section
8 1902(a)(10)(A)(ii)(XV) of the Social Secu-
9 rity Act (42 U.S.C.
10 1396a(a)(10)(A)(ii)(XV)); and

11 (ii) demonstrates to the satisfaction of
12 the Secretary that the State makes per-
13 sonal assistance services available under
14 the State plan under title XIX of the So-
15 cial Security Act (42 U.S.C. 1396 et seq.)
16 to the extent necessary to enable individ-
17 uals described in clause (i) to remain em-
18 ployed (as determined under section
19 1905(v)(2) of the Social Security Act (42
20 U.S.C. 1396d(v)(2))).

21 (B) DEFINITION OF PERSONAL ASSIST-
22 ANCE SERVICES.—In this paragraph, the term
23 “personal assistance services” means a range of
24 services, provided by 1 or more persons, de-
25 signed to assist an individual with a disability

1 to perform daily activities on and off the job
2 that the individual would typically perform if
3 the individual did not have a disability. Such
4 services shall be designed to increase the indi-
5 vidual's control in life and ability to perform ev-
6 eryday activities on or off the job.

7 (3) DETERMINATION OF AWARDS.—

8 (A) IN GENERAL.—Subject to subpara-
9 graph (B), the Secretary shall determine a for-
10 mula for awarding grants to States under this
11 section that provides special consideration to
12 States that provide medical assistance under
13 title XIX of the Social Security Act to individ-
14 uals described in section
15 1902(a)(10)(A)(ii)(XVI) of that Act (42 U.S.C.
16 1396a(a)(10)(A)(ii)(XVI)).

17 (B) AWARD LIMITS.—

18 (i) MINIMUM AWARDS.—

19 (I) IN GENERAL.—Subject to
20 subclause (II), no State with an ap-
21 proved application under this section
22 shall receive a grant for a fiscal year
23 that is less than \$500,000.

24 (II) PRO RATA REDUCTIONS.—If
25 the funds appropriated under sub-

1 section (e) for a fiscal year are not
2 sufficient to pay each State with an
3 application approved under this sec-
4 tion the minimum amount described
5 in subclause (I), the Secretary shall
6 pay each such State an amount equal
7 to the pro rata share of the amount
8 made available.

9 (ii) MAXIMUM AWARDS.—No State
10 with an application that has been approved
11 under this section shall receive a grant for
12 a fiscal year that exceeds 15 percent of the
13 total expenditures by the State (including
14 the reimbursed Federal share of such ex-
15 penditures) for medical assistance for indi-
16 viduals eligible under subclause (XV) and
17 (XVI) of section 1902(a)(10)(A)(ii) of the
18 Social Security Act (42 U.S.C.
19 1396a(a)(10)(A)(ii)), as estimated by the
20 State and approved by the Secretary.

21 (c) AVAILABILITY OF FUNDS.—

22 (1) FUNDS AWARDED TO STATES.—Funds
23 awarded to a State under a grant made under this
24 section for a fiscal year shall remain available until
25 expended.

1 (2) FUNDS NOT AWARDED TO STATES.—Funds
2 not awarded to States in the fiscal year for which
3 they are appropriated shall remain available in suc-
4 ceeding fiscal years for awarding by the Secretary.

5 (d) ANNUAL REPORT.—A State that is awarded a
6 grant under this section shall submit an annual report to
7 the Secretary on the use of funds provided under the
8 grant. Each report shall include the percentage increase
9 in the number of title II disability beneficiaries, as defined
10 in section 1148(k)(3) of the Social Security Act (as
11 amended by section 201) in the State, and title XVI dis-
12 ability beneficiaries, as defined in section 1148(k)(4) of
13 the Social Security Act (as so amended) in the State who
14 return to work.

15 (e) APPROPRIATION.—

16 (1) IN GENERAL.—Out of any funds in the
17 Treasury not otherwise appropriated, there is appro-
18 priated to make grants under this section—

19 (A) for fiscal year 2000, \$20,000,000;

20 (B) for fiscal year 2001, \$25,000,000;

21 (C) for fiscal year 2002, \$30,000,000;

22 (D) for fiscal year 2003, \$35,000,000;

23 (E) for fiscal year 2004, \$40,000,000; and

24 (F) for each of fiscal years 2005 through
25 2010, the amount appropriated for the preced-

1 ing fiscal year increased by the percentage in-
2 crease (if any) in the Consumer Price Index for
3 All Urban Consumers (United States city aver-
4 age) for the preceding fiscal year.

5 (2) BUDGET AUTHORITY.—This subsection con-
6 stitutes budget authority in advance of appropria-
7 tions Acts and represents the obligation of the Fed-
8 eral Government to provide for the payment of the
9 amounts appropriated under paragraph (1).

10 (f) RECOMMENDATION.—Not later than October 1,
11 2009, the Secretary, in consultation with the Work Incen-
12 tives Advisory Panel established under section 201(f),
13 shall submit a recommendation to the Committee on Com-
14 merce of the House of Representatives and the Committee
15 on Finance of the Senate regarding whether the grant pro-
16 gram established under this section should be continued
17 after fiscal year 2010.

18 **SEC. 104. DEMONSTRATION OF COVERAGE UNDER THE**
19 **MEDICAID PROGRAM OF WORKERS WITH PO-**
20 **TENTIALLY SEVERE DISABILITIES.**

21 (a) STATE APPLICATION.—A State may apply to the
22 Secretary of Health and Human Services (in this section
23 referred to as the “Secretary”) for approval of a dem-
24 onstration project (in this section referred to as a “dem-
25 onstration project”) under which up to a specified maxi-

1 mum number of individuals who are workers with a poten-
2 tially severe disability (as defined in subsection (b)(1)) are
3 provided medical assistance equal to that provided under
4 section 1905(a) of the Social Security Act (42 U.S.C.
5 1396d(a)) to individuals described in section
6 1902(a)(10)(A)(ii)(XV) of that Act (42 U.S.C.
7 1396a(a)(10)(A)(ii)(XV)).

8 (b) WORKER WITH A POTENTIALLY SEVERE DIS-
9 ABILITY DEFINED.—For purposes of this section—

10 (1) IN GENERAL.—The term “worker with a
11 potentially severe disability” means, with respect to
12 a demonstration project, an individual who—

13 (A) is at least 16, but less than 65, years
14 of age;

15 (B) has a specific physical or mental im-
16 pairment that, as defined by the State under
17 the demonstration project, is reasonably ex-
18 pected, but for the receipt of items and services
19 described in section 1905(a) of the Social Secu-
20 rity Act (42 U.S.C. 1396d(a)), to become blind
21 or disabled (as defined under section 1614(a) of
22 the Social Security Act (42 U.S.C. 1382c(a)));
23 and

24 (C) is employed (as defined in paragraph
25 (2)).

1 (2) DEFINITION OF EMPLOYED.—An individual
2 is considered to be “employed” if the individual—

3 (A) is earning at least the applicable mini-
4 mum wage requirement under section 6 of the
5 Fair Labor Standards Act (29 U.S.C. 206) and
6 working at least 40 hours per month; or

7 (B) is engaged in a work effort that meets
8 substantial and reasonable threshold criteria for
9 hours of work, wages, or other measures, as de-
10 fined under the demonstration project and ap-
11 proved by the Secretary.

12 (c) APPROVAL OF DEMONSTRATION PROJECTS.—

13 (1) IN GENERAL.—Subject to paragraph (3),
14 the Secretary shall approve applications under sub-
15 section (a) that meet the requirements of paragraph
16 (2) and such additional terms and conditions as the
17 Secretary may require. The Secretary may waive the
18 requirement of section 1902(a)(1) of the Social Se-
19 curity Act (42 U.S.C. 1396a(a)(1)) to allow for sub-
20 State demonstrations.

21 (2) TERMS AND CONDITIONS OF DEMONSTRA-
22 TION PROJECTS.—The Secretary may not approve a
23 demonstration project under this section unless the
24 State provides assurances satisfactory to the Sec-

1 retary that the following conditions are or will be
2 met:

3 (A) ELECTION OF OPTIONAL CATEGORY.—

4 The State has elected to provide coverage under
5 its plan under title XIX of the Social Security
6 Act of individuals described in section
7 1902(a)(10)(A)(ii)(XV) of the Social Security
8 Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).

9 (B) MAINTENANCE OF STATE EFFORT.—

10 Federal funds paid to a State pursuant to this
11 section must be used to supplement, but not
12 supplant, the level of State funds expended for
13 workers with potentially severe disabilities
14 under programs in effect for such individuals
15 at the time the demonstration project is ap-
16 proved under this section.

17 (C) INDEPENDENT EVALUATION.—The
18 State provides for an independent evaluation of
19 the project.

20 (3) LIMITATIONS ON FEDERAL FUNDING.—

21 (A) APPROPRIATION.—

22 (i) IN GENERAL.—Out of any funds in
23 the Treasury not otherwise appropriated,
24 there is appropriated to carry out this
25 section—

1 (I) for fiscal year 2000,
2 \$70,000,000;

3 (II) for fiscal year 2001,
4 \$73,000,000;

5 (III) for fiscal year 2002,
6 \$77,000,000; and

7 (IV) for fiscal year 2003,
8 \$80,000,000.

9 (ii) BUDGET AUTHORITY.—Clause (i)
10 constitutes budget authority in advance of
11 appropriations Acts and represents the ob-
12 ligation of the Federal Government to pro-
13 vide for the payment of the amounts ap-
14 propriated under clause (i).

15 (B) LIMITATION ON PAYMENTS.—In no
16 case may—

17 (i) the aggregate amount of payments
18 made by the Secretary to States under this
19 section exceed \$300,000,000; or

20 (ii) payments be provided by the Sec-
21 retary for a fiscal year after fiscal year
22 2005.

23 (C) FUNDS ALLOCATED TO STATES.—The
24 Secretary shall allocate funds to States based
25 on their applications and the availability of

1 funds. Funds allocated to a State under a grant
2 made under this section for a fiscal year shall
3 remain available until expended.

4 (D) FUNDS NOT ALLOCATED TO STATES.—
5 Funds not allocated to States in the fiscal year
6 for which they are appropriated shall remain
7 available in succeeding fiscal years for alloca-
8 tion by the Secretary using the allocation for-
9 mula established under this section.

10 (E) PAYMENTS TO STATES.—The Sec-
11 retary shall pay to each State with a dem-
12 onstration project approved under this section,
13 from its allocation under subparagraph (C), an
14 amount for each quarter equal to the Federal
15 medical assistance percentage (as defined in
16 section 1905(b) of the Social Security Act (42
17 U.S.C. 1395d(b)) of expenditures in the quarter
18 for medical assistance provided to workers with
19 a potentially severe disability.

20 (d) RECOMMENDATION.—Not later than October 1,
21 2002, the Secretary shall submit a recommendation to the
22 Committee on Commerce of the House of Representatives
23 and the Committee on Finance of the Senate regarding
24 whether the demonstration project established under this
25 section should be continued after fiscal year 2003.

1 (e) STATE DEFINED.—In this section, the term
2 “State” has the meaning given such term for purposes of
3 title XIX of the Social Security Act (42 U.S.C. 1396 et
4 seq.).

5 **SEC. 105. ELECTION BY DISABLED BENEFICIARIES TO SUS-**
6 **PEND MEDIGAP INSURANCE WHEN COVERED**
7 **UNDER A GROUP HEALTH PLAN.**

8 (a) *IN GENERAL.*—Section 1882(q) of the Social Secu-
9 rity Act (42 U.S.C. 1395ss(q)) is amended—

10 (1) in paragraph (5)(C), by inserting “or para-
11 graph (6)” after “this paragraph”; and

12 (2) by adding at the end the following new para-
13 graph:

14 “(6) Each medicare supplemental policy shall
15 provide that benefits and premiums under the policy
16 shall be suspended at the request of the policyholder
17 if the policyholder is entitled to benefits under section
18 226(b) and is covered under a group health plan (as
19 defined in section 1862(b)(1)(A)(v)). If such suspen-
20 sion occurs and if the policyholder or certificate hold-
21 er loses coverage under the group health plan, such
22 policy shall be automatically reinstituted (effective as
23 of the date of such loss of coverage) under terms de-
24 scribed in subsection (n)(6)(A)(ii) as of the loss of
25 such coverage if the policyholder provides notice of

1 *loss of such coverage within 90 days after the date of*
2 *such loss.”.*

3 *(b) EFFECTIVE DATE.—The amendments made by sub-*
4 *section (a) apply with respect to requests made after the*
5 *date of the enactment of this Act.*

6 **TITLE II—TICKET TO WORK AND**
7 **SELF-SUFFICIENCY AND RE-**
8 **LATED PROVISIONS**

9 **Subtitle A—Ticket to Work and**
10 **Self-Sufficiency**

11 **SEC. 201. ESTABLISHMENT OF THE TICKET TO WORK AND**
12 **SELF-SUFFICIENCY PROGRAM.**

13 (a) IN GENERAL.—Part A of title XI of the Social
14 Security Act (42 U.S.C. 1301 et seq.) is amended by add-
15 ing after section 1147 (as added by section 8 of the Non-
16 citizen Benefit Clarification and Other Technical Amend-
17 ments Act of 1998 (Public Law 105–306; 112 Stat.
18 2928)) the following:

19 “TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

20 “SEC. 1148. (a) IN GENERAL.—The Commissioner
21 shall establish a Ticket to Work and Self-Sufficiency Pro-
22 gram, under which a disabled beneficiary may use a ticket
23 to work and self-sufficiency issued by the Commissioner
24 in accordance with this section to obtain employment serv-
25 ices, vocational rehabilitation services, or other support
26 services from an employment network which is of the bene-

1 ficiary's choice and which is willing to provide such serv-
2 ices to the beneficiary.

3 “(b) TICKET SYSTEM.—

4 “(1) DISTRIBUTION OF TICKETS.—The Com-
5 missioner may issue a ticket to work and self-suffi-
6 ciency to disabled beneficiaries for participation in
7 the Program.

8 “(2) ASSIGNMENT OF TICKETS.—A disabled
9 beneficiary holding a ticket to work and self-suffi-
10 ciency may assign the ticket to any employment net-
11 work of the beneficiary's choice which is serving
12 under the Program and is willing to accept the as-
13 signment.

14 “(3) TICKET TERMS.—A ticket issued under
15 paragraph (1) shall consist of a document which evi-
16 dences the Commissioner's agreement to pay (as
17 provided in paragraph (4)) an employment network,
18 which is serving under the Program and to which
19 such ticket is assigned by the beneficiary, for such
20 employment services, vocational rehabilitation serv-
21 ices, and other support services as the employment
22 network may provide to the beneficiary.

23 “(4) PAYMENTS TO EMPLOYMENT NET-
24 WORKS.—The Commissioner shall pay an employ-
25 ment network under the Program in accordance with

1 the outcome payment system under subsection
2 (h)(2) or under the outcome-milestone payment sys-
3 tem under subsection (h)(3) (whichever is elected
4 pursuant to subsection (h)(1)). An employment net-
5 work may not request or receive compensation for
6 such services from the beneficiary.

7 “(c) STATE PARTICIPATION.—

8 “(1) IN GENERAL.—Each State agency admin-
9 istering or supervising the administration of the
10 State plan approved under title I of the Rehabilita-
11 tion Act of 1973 may elect to participate in the Pro-
12 gram as an employment network with respect to a
13 disabled beneficiary. If the State agency does elect
14 to participate in the Program, the State agency also
15 shall elect to be paid under the outcome payment
16 system or the outcome-milestone payment system in
17 accordance with subsection (h)(1). With respect to a
18 disabled beneficiary that the State agency does not
19 elect to have participate in the Program, the State
20 agency shall be paid for services provided to that
21 beneficiary under the system for payment applicable
22 under section 222(d) and subsections (d) and (e) of
23 section 1615. The Commissioner shall provide for
24 periodic opportunities for exercising such elections
25 (and revocations).

1 “(2) EFFECT OF PARTICIPATION BY STATE
2 AGENCY.—

3 “(A) STATE AGENCIES PARTICIPATING.—

4 In any case in which a State agency described
5 in paragraph (1) elects under that paragraph to
6 participate in the Program, the employment
7 services, vocational rehabilitation services, and
8 other support services which, upon assignment
9 of tickets to work and self-sufficiency, are pro-
10 vided to disabled beneficiaries by the State
11 agency acting as an employment network shall
12 be governed by plans for vocational rehabilita-
13 tion services approved under title I of the Reha-
14 bilitation Act of 1973.

15 “(B) STATE AGENCIES ADMINISTERING
16 MATERNAL AND CHILD HEALTH SERVICES PRO-
17 GRAMS.—Subparagraph (A) shall not apply
18 with respect to any State agency administering
19 a program under title V of this Act.

20 “(3) SPECIAL REQUIREMENTS APPLICABLE TO
21 CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—

22 “(A) IN GENERAL.—In any case in which
23 an employment network has been assigned a
24 ticket to work and self-sufficiency by a disabled
25 beneficiary, no State agency shall be deemed re-

1 quired, under this section, title I of the Work-
2 force Investment Act of 1998, title I of the Re-
3 habilitation Act of 1973, or a State plan ap-
4 proved under such title, to accept any referral
5 of such disabled beneficiary from such employ-
6 ment network unless such employment network
7 and such State agency have entered into a writ-
8 ten agreement that meets the requirements of
9 subparagraph (B). Any beneficiary who has as-
10 signed a ticket to work and self-sufficiency to
11 an employment network that has not entered
12 into such a written agreement with such a
13 State agency may not access vocational rehabili-
14 tation services under title I of the Rehabilita-
15 tion Act of 1973 until such time as the bene-
16 ficiary is reassigned to a State vocational reha-
17 bilitation agency by the Program Manager.

18 “(B) TERMS OF AGREEMENT.—An agree-
19 ment required by subparagraph (A) shall speci-
20 fy, in accordance with regulations prescribed
21 pursuant to subparagraph (C)—

22 “(i) the extent (if any) to which the
23 employment network holding the ticket will
24 provide to the State agency—

1 “(I) reimbursement for costs in-
2 curred in providing services described
3 in subparagraph (A) to the disabled
4 beneficiary; and

5 “(II) other amounts from pay-
6 ments made by the Commissioner to
7 the employment network pursuant to
8 subsection (h); and

9 “(ii) any other conditions that may be
10 required by such regulations.

11 “(C) REGULATIONS.—The Commissioner
12 and the Secretary of Education shall jointly
13 prescribe regulations specifying the terms of
14 agreements required by subparagraph (A) and
15 otherwise necessary to carry out the provisions
16 of this paragraph.

17 “(D) PENALTY.—No payment may be
18 made to an employment network pursuant to
19 subsection (h) in connection with services pro-
20 vided to any disabled beneficiary if such em-
21 ployment network makes referrals described in
22 subparagraph (A) in violation of the terms of
23 the agreement required under subparagraph (A)
24 or without having entered into such an agree-
25 ment.

1 “(d) RESPONSIBILITIES OF THE COMMISSIONER.—

2 “(1) SELECTION AND QUALIFICATIONS OF PRO-
3 GRAM MANAGERS.—The Commissioner shall enter
4 into agreements with 1 or more organizations in the
5 private or public sector for service as a program
6 manager to assist the Commissioner in administer-
7 ing the Program. Any such program manager shall
8 be selected by means of a competitive bidding proc-
9 ess, from among organizations in the private or pub-
10 lic sector with available expertise and experience in
11 the field of vocational rehabilitation and employment
12 services.

13 “(2) TENURE, RENEWAL, AND EARLY TERMI-
14 NATION.—Each agreement entered into under para-
15 graph (1) shall provide for early termination upon
16 failure to meet performance standards which shall be
17 specified in the agreement and which shall be
18 weighted to take into account any performance in
19 prior terms. Such performance standards shall
20 include—

21 “(A) measures for ease of access by bene-
22 ficiaries to services; and

23 “(B) measures for determining the extent
24 to which failures in obtaining services for bene-

1 ficiaries fall within acceptable parameters, as
2 determined by the Commissioner.

3 “(3) PRECLUSION FROM DIRECT PARTICIPA-
4 TION IN DELIVERY OF SERVICES IN OWN SERVICE
5 AREA.—Agreements under paragraph (1) shall
6 preclude—

7 “(A) direct participation by a program
8 manager in the delivery of employment services,
9 vocational rehabilitation services, or other sup-
10 port services to beneficiaries in the service area
11 covered by the program manager’s agreement;
12 and

13 “(B) the holding by a program manager of
14 a financial interest in an employment network
15 or service provider which provides services in a
16 geographic area covered under the program
17 manager’s agreement.

18 “(4) SELECTION OF EMPLOYMENT NET-
19 WORKS.—

20 “(A) IN GENERAL.—The Commissioner
21 shall select and enter into agreements with em-
22 ployment networks for service under the Pro-
23 gram. Such employment networks shall be in
24 addition to State agencies serving as employ-

1 ment networks pursuant to elections under sub-
2 section (c).

3 “(B) ALTERNATE PARTICIPANTS.—In any
4 State where the Program is being implemented,
5 the Commissioner shall enter into an agreement
6 with any alternate participant that is operating
7 under the authority of section 222(d)(2) in the
8 State as of the date of enactment of this section
9 and chooses to serve as an employment network
10 under the Program.

11 “(5) TERMINATION OF AGREEMENTS WITH EM-
12 PLOYMENT NETWORKS.—The Commissioner shall
13 terminate agreements with employment networks for
14 inadequate performance, as determined by the Com-
15 missioner.

16 “(6) QUALITY ASSURANCE.—The Commissioner
17 shall provide for such periodic reviews as are nec-
18 essary to provide for effective quality assurance in
19 the provision of services by employment networks.
20 The Commissioner shall solicit and consider the
21 views of consumers and the program manager under
22 which the employment networks serve and shall con-
23 sult with providers of services to develop perform-
24 ance measurements. The Commissioner shall ensure
25 that the results of the periodic reviews are made

1 available to beneficiaries who are prospective service
2 recipients as they select employment networks. The
3 Commissioner shall ensure that the periodic surveys
4 of beneficiaries receiving services under the Program
5 are designed to measure customer service satisfac-
6 tion.

7 “(7) DISPUTE RESOLUTION.—The Commis-
8 sioner shall provide for a mechanism for resolving
9 disputes between beneficiaries and employment net-
10 works, between program managers and employment
11 networks, and between program managers and pro-
12 viders of services. The Commissioner shall afford a
13 party to such a dispute a reasonable opportunity for
14 a full and fair review of the matter in dispute.

15 “(e) PROGRAM MANAGERS.—

16 “(1) IN GENERAL.—A program manager shall
17 conduct tasks appropriate to assist the Commis-
18 sioner in carrying out the Commissioner’s duties in
19 administering the Program.

20 “(2) RECRUITMENT OF EMPLOYMENT NET-
21 WORKS.—A program manager shall recruit, and rec-
22 ommend for selection by the Commissioner, employ-
23 ment networks for service under the Program. The
24 program manager shall carry out such recruitment
25 and provide such recommendations, and shall mon-

1 itor all employment networks serving in the Program
2 in the geographic area covered under the program
3 manager's agreement, to the extent necessary and
4 appropriate to ensure that adequate choices of serv-
5 ices are made available to beneficiaries. Employment
6 networks may serve under the Program only pursu-
7 ant to an agreement entered into with the Commis-
8 sioner under the Program incorporating the applica-
9 ble provisions of this section and regulations there-
10 under, and the program manager shall provide and
11 maintain assurances to the Commissioner that pay-
12 ment by the Commissioner to employment networks
13 pursuant to this section is warranted based on com-
14 pliance by such employment networks with the terms
15 of such agreement and this section. The program
16 manager shall not impose numerical limits on the
17 number of employment networks to be recommended
18 pursuant to this paragraph.

19 “(3) FACILITATION OF ACCESS BY BENE-
20 FICIARIES TO EMPLOYMENT NETWORKS.—A pro-
21 gram manager shall facilitate access by beneficiaries
22 to employment networks. The program manager
23 shall ensure that each beneficiary is allowed changes
24 in employment networks for good cause, as deter-
25 mined by the Commissioner, without being deemed

1 to have rejected services under the Program. The
2 program manager shall establish and maintain lists
3 of employment networks available to beneficiaries
4 and shall make such lists generally available to the
5 public. The program manager shall ensure that all
6 information provided to disabled beneficiaries pursu-
7 ant to this paragraph is provided in accessible for-
8 mats.

9 “(4) ENSURING AVAILABILITY OF ADEQUATE
10 SERVICES.—The program manager shall ensure that
11 employment services, vocational rehabilitation serv-
12 ices, and other support services are provided to
13 beneficiaries throughout the geographic area covered
14 under the program manager’s agreement, including
15 rural areas.

16 “(5) REASONABLE ACCESS TO SERVICES.—The
17 program manager shall take such measures as are
18 necessary to ensure that sufficient employment net-
19 works are available and that each beneficiary receiv-
20 ing services under the Program has reasonable ac-
21 cess to employment services, vocational rehabilitation
22 services, and other support services. Services pro-
23 vided under the Program may include case manage-
24 ment, work incentives planning, supported employ-
25 ment, career planning, career plan development, vo-

1 cational assessment, job training, placement, follow-
2 up services, and such other services as may be speci-
3 fied by the Commissioner under the Program. The
4 program manager shall ensure that such services are
5 available in each service area.

6 “(f) EMPLOYMENT NETWORKS.—

7 “(1) QUALIFICATIONS FOR EMPLOYMENT NET-
8 WORKS.—

9 “(A) IN GENERAL.—Each employment net-
10 work serving under the Program shall consist of
11 an agency or instrumentality of a State (or a
12 political subdivision thereof) or a private entity
13 that assumes responsibility for the coordination
14 and delivery of services under the Program to
15 individuals assigning to the employment net-
16 work tickets to work and self-sufficiency issued
17 under subsection (b).

18 “(B) ONE-STOP DELIVERY SYSTEMS.—An
19 employment network serving under the Pro-
20 gram may consist of a one-stop delivery system
21 established under subtitle B of title I of the
22 Workforce Investment Act of 1998.

23 “(C) COMPLIANCE WITH SELECTION CRI-
24 TERIA.—No employment network may serve
25 under the Program unless it meets and main-

1 tains compliance with both general selection cri-
2 teria (such as professional and educational
3 qualifications (where applicable)) and specific
4 selection criteria (such as substantial expertise
5 and experience in providing relevant employ-
6 ment services and supports).

7 “(D) SINGLE OR ASSOCIATED PROVIDERS
8 ALLOWED.—An employment network shall con-
9 sist of either a single provider of such services
10 or of an association of such providers organized
11 so as to combine their resources into a single
12 entity. An employment network may meet the
13 requirements of subsection (e)(4) by providing
14 services directly, or by entering into agreements
15 with other individuals or entities providing ap-
16 propriate employment services, vocational reha-
17 bilitation services, or other support services.

18 “(2) REQUIREMENTS RELATING TO PROVISION
19 OF SERVICES.—Each employment network serving
20 under the Program shall be required under the
21 terms of its agreement with the Commissioner to—

22 “(A) serve prescribed service areas; and

23 “(B) take such measures as are necessary
24 to ensure that employment services, vocational
25 rehabilitation services, and other support serv-

1 ices provided under the Program by, or under
2 agreements entered into with, the employment
3 network are provided under appropriate individ-
4 ual work plans meeting the requirements of
5 subsection (g).

6 “(3) ANNUAL FINANCIAL REPORTING.—Each
7 employment network shall meet financial reporting
8 requirements as prescribed by the Commissioner.

9 “(4) PERIODIC OUTCOMES REPORTING.—Each
10 employment network shall prepare periodic reports,
11 on at least an annual basis, itemizing for the covered
12 period specific outcomes achieved with respect to
13 specific services provided by the employment net-
14 work. Such reports shall conform to a national
15 model prescribed under this section. Each employ-
16 ment network shall provide a copy of the latest re-
17 port issued by the employment network pursuant to
18 this paragraph to each beneficiary upon enrollment
19 under the Program for services to be received
20 through such employment network. Upon issuance of
21 each report to each beneficiary, a copy of the report
22 shall be maintained in the files of the employment
23 network. The program manager shall ensure that
24 copies of all such reports issued under this para-

1 graph are made available to the public under reason-
2 able terms.

3 “(g) INDIVIDUAL WORK PLANS.—

4 “(1) REQUIREMENTS.—Each employment net-
5 work shall—

6 “(A) take such measures as are necessary
7 to ensure that employment services, vocational
8 rehabilitation services, and other support serv-
9 ices provided under the Program by, or under
10 agreements entered into with, the employment
11 network are provided under appropriate individ-
12 ual work plans that meet the requirements of
13 subparagraph (C);

14 “(B) develop and implement each such in-
15 dividual work plan in partnership with each
16 beneficiary receiving such services in a manner
17 that affords the beneficiary the opportunity to
18 exercise informed choice in selecting an employ-
19 ment goal and specific services needed to
20 achieve that employment goal;

21 “(C) ensure that each individual work plan
22 includes at least—

23 “(i) a statement of the vocational goal
24 developed with the beneficiary;

1 “(ii) a statement of the services and
2 supports that have been deemed necessary
3 for the beneficiary to accomplish that goal;

4 “(iii) a statement of any terms and
5 conditions related to the provision of such
6 services and supports; and

7 “(iv) a statement of understanding re-
8 garding the beneficiary’s rights under the
9 Program (such as the right to retrieve the
10 ticket to work and self-sufficiency if the
11 beneficiary is dissatisfied with the services
12 being provided by the employment net-
13 work) and remedies available to the indi-
14 vidual, including information on the avail-
15 ability of advocacy services and assistance
16 in resolving disputes through the State
17 grant program authorized under section
18 1150;

19 “(D) provide a beneficiary the opportunity
20 to amend the individual work plan if a change
21 in circumstances necessitates a change in the
22 plan; and

23 “(E) make each beneficiary’s individual
24 work plan available to the beneficiary in, as ap-

1 appropriate, an accessible format chosen by the
2 beneficiary.

3 “(2) EFFECTIVE UPON WRITTEN APPROVAL.—

4 A beneficiary’s individual work plan shall take effect
5 upon written approval by the beneficiary or a rep-
6 resentative of the beneficiary and a representative of
7 the employment network that, in providing such
8 written approval, acknowledges assignment of the
9 beneficiary’s ticket to work and self-sufficiency.

10 “(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

11 “(1) ELECTION OF PAYMENT SYSTEM BY EM-
12 PLOYMENT NETWORKS.—

13 “(A) IN GENERAL.—The Program shall
14 provide for payment authorized by the Commis-
15 sioner to employment networks under either an
16 outcome payment system or an outcome-mile-
17 stone payment system. Each employment net-
18 work shall elect which payment system will be
19 utilized by the employment network, and, for
20 such period of time as such election remains in
21 effect, the payment system so elected shall be
22 utilized exclusively in connection with such em-
23 ployment network (except as provided in sub-
24 paragraph (B)).

1 “(B) NO CHANGE IN METHOD OF PAY-
2 MENT FOR BENEFICIARIES WITH TICKETS AL-
3 READY ASSIGNED TO THE EMPLOYMENT NET-
4 WORKS.—Any election of a payment system by
5 an employment network that would result in a
6 change in the method of payment to the em-
7 ployment network for services provided to a
8 beneficiary who is receiving services from the
9 employment network at the time of the election
10 shall not be effective with respect to payment
11 for services provided to that beneficiary and the
12 method of payment previously selected shall
13 continue to apply with respect to such services.

14 “(2) OUTCOME PAYMENT SYSTEM.—

15 “(A) IN GENERAL.—The outcome payment
16 system shall consist of a payment structure gov-
17 erning employment networks electing such sys-
18 tem under paragraph (1)(A) which meets the
19 requirements of this paragraph.

20 “(B) PAYMENTS MADE DURING OUTCOME
21 PAYMENT PERIOD.—The outcome payment sys-
22 tem shall provide for a schedule of payments to
23 an employment network in connection with each
24 individual who is a beneficiary for each month
25 during the individual’s outcome payment period

1 for which benefits (described in paragraphs (3)
2 and (4) of subsection (k)) are not payable to
3 such individual because of work or earnings.

4 “(C) COMPUTATION OF PAYMENTS TO EM-
5 PLOYMENT NETWORK.—The payment schedule
6 of the outcome payment system shall be de-
7 signed so that—

8 “(i) the payment for each of the 60
9 months during the outcome payment pe-
10 riod for which benefits (described in para-
11 graphs (3) and (4) of subsection (k)) are
12 not payable is equal to a fixed percentage
13 of the payment calculation base for the cal-
14 endar year in which such month occurs;
15 and

16 “(ii) such fixed percentage is set at a
17 percentage which does not exceed 40 per-
18 cent.

19 “(3) OUTCOME-MILESTONE PAYMENT SYS-
20 TEM.—

21 “(A) IN GENERAL.—The outcome-mile-
22 stone payment system shall consist of a pay-
23 ment structure governing employment networks
24 electing such system under paragraph (1)(A)

1 which meets the requirements of this para-
2 graph.

3 “(B) EARLY PAYMENTS UPON ATTAIN-
4 MENT OF MILESTONES IN ADVANCE OF OUT-
5 COME PAYMENT PERIODS.—The outcome-mile-
6 stone payment system shall provide for 1 or
7 more milestones with respect to beneficiaries re-
8 ceiving services from an employment network
9 under the Program that are directed toward the
10 goal of permanent employment. Such milestones
11 shall form a part of a payment structure that
12 provides, in addition to payments made during
13 outcome payment periods, payments made prior
14 to outcome payment periods in amounts based
15 on the attainment of such milestones.

16 “(C) LIMITATION ON TOTAL PAYMENTS TO
17 EMPLOYMENT NETWORK.—The payment sched-
18 ule of the outcome-milestone payment system
19 shall be designed so that the total of the pay-
20 ments to the employment network with respect
21 to each beneficiary is less than, on a net
22 present value basis (using an interest rate de-
23 termined by the Commissioner that appro-
24 priately reflects the cost of funds faced by pro-
25 viders), the total amount to which payments to

1 the employment network with respect to the
2 beneficiary would be limited if the employment
3 network were paid under the outcome payment
4 system.

5 “(4) DEFINITIONS.—In this subsection:

6 “(A) PAYMENT CALCULATION BASE.—The
7 term ‘payment calculation base’ means, for any
8 calendar year—

9 “(i) in connection with a title II dis-
10 ability beneficiary, the average disability
11 insurance benefit payable under section
12 223 for all beneficiaries for months during
13 the preceding calendar year; and

14 “(ii) in connection with a title XVI
15 disability beneficiary (who is not concu-
16 rently a title II disability beneficiary), the
17 average payment of supplemental security
18 income benefits based on disability payable
19 under title XVI (excluding State sup-
20 plementation) for months during the pre-
21 ceding calendar year to all beneficiaries
22 who have attained age 18 but have not at-
23 tained age 65.

24 “(B) OUTCOME PAYMENT PERIOD.—The
25 term ‘outcome payment period’ means, in con-

1 nection with any individual who had assigned a
2 ticket to work and self-sufficiency to an employ-
3 ment network under the Program, a period—

4 “(i) beginning with the first month,
5 ending after the date on which such ticket
6 was assigned to the employment network,
7 for which benefits (described in paragraphs
8 (3) and (4) of subsection (k)) are not pay-
9 able to such individual by reason of en-
10 gagement in substantial gainful activity or
11 by reason of earnings from work activity;
12 and

13 “(ii) ending with the 60th month
14 (consecutive or otherwise), ending after
15 such date, for which such benefits are not
16 payable to such individual by reason of en-
17 gagement in substantial gainful activity or
18 by reason of earnings from work activity.

19 “(5) PERIODIC REVIEW AND ALTERATIONS OF
20 PRESCRIBED SCHEDULES.—

21 “(A) PERCENTAGES AND PERIODS.—The
22 Commissioner shall periodically review the per-
23 centage specified in paragraph (2)(C), the total
24 payments permissible under paragraph (3)(C),
25 and the period of time specified in paragraph

1 (4)(B) to determine whether such percentages,
2 such permissible payments, and such period
3 provide an adequate incentive for employment
4 networks to assist beneficiaries to enter the
5 workforce, while providing for appropriate
6 economies. The Commissioner may alter such
7 percentage, such total permissible payments, or
8 such period of time to the extent that the Com-
9 missioner determines, on the basis of the Com-
10 missioner's review under this paragraph, that
11 such an alteration would better provide the in-
12 centive and economies described in the preced-
13 ing sentence.

14 “(B) NUMBER AND AMOUNTS OF MILE-
15 STONE PAYMENTS.—The Commissioner shall
16 periodically review the number and amounts of
17 milestone payments established by the Commis-
18 sioner pursuant to this section to determine
19 whether they provide an adequate incentive for
20 employment networks to assist beneficiaries to
21 enter the workforce, taking into account infor-
22 mation provided to the Commissioner by pro-
23 gram managers, the Work Incentives Advisory
24 Panel established under section 201(f) of the
25 Work Incentives Improvement Act of 1999, and

1 other reliable sources. The Commissioner may
2 from time to time alter the number and
3 amounts of milestone payments initially estab-
4 lished by the Commissioner pursuant to this
5 section to the extent that the Commissioner de-
6 termines that such an alteration would allow an
7 adequate incentive for employment networks to
8 assist beneficiaries to enter the workforce. Such
9 alteration shall be based on information pro-
10 vided to the Commissioner by program man-
11 agers, the Work Incentives Advisory Panel es-
12 tablished under section 201(f) of the Work In-
13 centives Improvement Act of 1999, or other re-
14 liable sources.

15 “(i) SUSPENSION OF DISABILITY REVIEWS.—During
16 any period for which an individual is using, as defined by
17 the Commissioner, a ticket to work and self-sufficiency
18 issued under this section, the Commissioner (and any ap-
19 plicable State agency) may not initiate a continuing dis-
20 ability review or other review under section 221 of whether
21 the individual is or is not under a disability or a review
22 under title XVI similar to any such review under section
23 221.

24 “(j) ALLOCATION OF COSTS.—

1 “(1) PAYMENTS TO EMPLOYMENT NET-
2 WORKS.—Payments to employment networks (in-
3 cluding State agencies that elect to participate in the
4 Program as an employment network) shall be made
5 from the Federal Old-Age and Survivors Insurance
6 Trust Fund or the Federal Disability Insurance
7 Trust Fund, as appropriate, in the case of ticketed
8 title II disability beneficiaries who return to work, or
9 from the appropriation made available for making
10 supplemental security income payments under title
11 XVI, in the case of title XVI disability beneficiaries
12 who return to work. With respect to ticketed bene-
13 ficiaries who concurrently are entitled to benefits
14 under title II and eligible for payments under title
15 XVI who return to work, the Commissioner shall al-
16 locate the cost of payments to employment networks
17 to which the tickets of such beneficiaries have been
18 assigned among such Trust Funds and appropria-
19 tion, as appropriate.

20 “(2) ADMINISTRATIVE EXPENSES.—The costs
21 of administering this section (other than payments
22 to employment networks) shall be paid from
23 amounts made available for the administration of
24 title II and amounts made available for the adminis-

1 tration of title XVI, and shall be allocated among
2 those amounts as appropriate.

3 “(k) DEFINITIONS.—In this section:

4 “(1) COMMISSIONER.—The term ‘Commis-
5 sioner’ means the Commissioner of Social Security.

6 “(2) DISABLED BENEFICIARY.—The term ‘dis-
7 abled beneficiary’ means a title II disability bene-
8 ficiary or a title XVI disability beneficiary.

9 “(3) TITLE II DISABILITY BENEFICIARY.—The
10 term ‘title II disability beneficiary’ means an individ-
11 ual entitled to disability insurance benefits under
12 section 223 or to monthly insurance benefits under
13 section 202 based on such individual’s disability (as
14 defined in section 223(d)). An individual is a title II
15 disability beneficiary for each month for which such
16 individual is entitled to such benefits.

17 “(4) TITLE XVI DISABILITY BENEFICIARY.—
18 The term ‘title XVI disability beneficiary’ means an
19 individual eligible for supplemental security income
20 benefits under title XVI on the basis of blindness
21 (within the meaning of section 1614(a)(2)) or dis-
22 ability (within the meaning of section 1614(a)(3)).
23 An individual is a title XVI disability beneficiary for
24 each month for which such individual is eligible for
25 such benefits.

1 “(5) SUPPLEMENTAL SECURITY INCOME BENE-
2 FIT UNDER TITLE XVI.—The term ‘supplemental se-
3 curity income benefit under title XVI’ means a cash
4 benefit under section 1611 or 1619(a), and does not
5 include a State supplementary payment, adminis-
6 tered federally or otherwise.

7 “(l) REGULATIONS.—Not later than 1 year after the
8 date of enactment of this section, the Commissioner shall
9 prescribe such regulations as are necessary to carry out
10 the provisions of this section.

11 “(m) REAUTHORIZATION OF PROGRAM.—

12 “(1) IN GENERAL.—The Program established
13 under this section shall terminate on the date that
14 is 5 years after the date that the Commissioner com-
15 mences implementation of the Program.

16 “(2) ASSURANCE OF OUTCOME PAYMENT PE-
17 RIOD.—Notwithstanding paragraph (1)—

18 “(A) any individual who has initiated a
19 work plan in accordance with subsection (g)
20 may use services provided under the Program
21 in accordance with this section; and

22 “(B) any employment network that pro-
23 vides services to such an individual shall receive
24 payments for such services,

1 during the individual's outcome payment period (as
2 defined in paragraph (4)(B) of subsection (h), in-
3 cluding any alteration of such period in accordance
4 with paragraph (5) of that subsection).”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) AMENDMENTS TO TITLE II.—

7 (A) Section 221(i) of the Social Security
8 Act (42 U.S.C. 421(i)) is amended by adding at
9 the end the following:

10 “(5) For suspension of reviews under this subsection
11 in the case of an individual using a ticket to work and
12 self-sufficiency, see section 1148(i).”.

13 (B) Section 222(a) of the Social Security
14 Act (42 U.S.C. 422(a)) is repealed.

15 (C) Section 222(b) of the Social Security
16 Act (42 U.S.C. 422(b)) is repealed.

17 (D) Section 225(b)(1) of the Social Secu-
18 rity Act (42 U.S.C. 425(b)(1)) is amended by
19 striking “a program of vocational rehabilitation
20 services” and inserting “a program consisting
21 of the Ticket to Work and Self-Sufficiency Pro-
22 gram under section 1148 or another program of
23 vocational rehabilitation services, employment
24 services, or other support services”.

25 (2) AMENDMENTS TO TITLE XVI.—

1 (A) Section 1615(a) of the Social Security
2 Act (42 U.S.C. 1382d(a)) is amended to read
3 as follows:

4 “SEC. 1615. (a) In the case of any blind or disabled
5 individual who—

6 “(1) has not attained age 16, and

7 “(2) with respect to whom benefits are paid
8 under this title,

9 the Commissioner of Social Security shall make provision
10 for referral of such individual to the appropriate State
11 agency administering the State program under title V.”.

12 (B) Section 1615(c) of the Social Security
13 Act (42 U.S.C. 1382d(c)) is repealed.

14 (C) Section 1631(a)(6)(A) of the Social
15 Security Act (42 U.S.C. 1383(a)(6)(A)) is
16 amended by striking “a program of vocational
17 rehabilitation services” and inserting “a pro-
18 gram consisting of the Ticket to Work and Self-
19 Sufficiency Program under section 1148 or an-
20 other program of vocational rehabilitation serv-
21 ices, employment services, or other support
22 services”.

23 (D) Section 1633(c) of the Social Security
24 Act (42 U.S.C. 1383b(c)) is amended—

25 (i) by inserting “(1)” after “(c)”; and

1 (ii) by adding at the end the follow-
2 ing:

3 “(2) For suspension of continuing disability reviews
4 and other reviews under this title similar to reviews under
5 section 221 in the case of an individual using a ticket to
6 work and self-sufficiency, see section 1148(i).”.

7 (c) EFFECTIVE DATE.—Subject to subsection (d),
8 the amendments made by subsections (a) and (b) shall
9 take effect with the first month following 1 year after the
10 date of enactment of this Act.

11 (d) GRADUATED IMPLEMENTATION OF PROGRAM.—

12 (1) IN GENERAL.—Not later than 1 year after
13 the date of enactment of this Act, the Commissioner
14 of Social Security shall commence implementation of
15 the amendments made by this section (other than
16 paragraphs (1)(C) and (2)(B) of subsection (b)) in
17 graduated phases at phase-in sites selected by the
18 Commissioner. Such phase-in sites shall be selected
19 so as to ensure, prior to full implementation of the
20 Ticket to Work and Self-Sufficiency Program, the
21 development and refinement of referral processes,
22 payment systems, computer linkages, management
23 information systems, and administrative processes
24 necessary to provide for full implementation of such
25 amendments. Subsection (c) shall apply with respect

1 to paragraphs (1)(C) and (2)(B) of subsection (b)
2 without regard to this subsection.

3 (2) REQUIREMENTS.—Implementation of the
4 Program at each phase-in site shall be carried out
5 on a wide enough scale to permit a thorough evalua-
6 tion of the alternative methods under consideration,
7 so as to ensure that the most efficacious methods
8 are determined and in place for full implementation
9 of the Program on a timely basis.

10 (3) FULL IMPLEMENTATION.—The Commis-
11 sioner shall ensure that the ability to provide tickets
12 and services to individuals under the Program exists
13 in every State as soon as practicable on or after the
14 effective date specified in subsection (c) but not later
15 than 3 years after such date.

16 (4) ONGOING EVALUATION OF PROGRAM.—

17 (A) IN GENERAL.—The Commissioner
18 shall design and conduct a series of evaluations
19 to assess the cost-effectiveness of activities car-
20 ried out under this section and the amendments
21 made thereby, as well as the effects of this sec-
22 tion and the amendments made thereby on
23 work outcomes for beneficiaries receiving tickets
24 to work and self-sufficiency under the Program.

1 (B) CONSULTATION.—The Commissioner
2 shall design and carry out the series of evalua-
3 tions after receiving relevant advice from ex-
4 perts in the fields of disability, vocational reha-
5 bilitation, and program evaluation and individ-
6 uals using tickets to work and self-sufficiency
7 under the Program and consulting with the
8 Work Incentives Advisory Panel established
9 under section 201(f), the Comptroller General
10 of the United States, other agencies of the Fed-
11 eral Government, and private organizations
12 with appropriate expertise.

13 (C) METHODOLOGY.—

14 (i) IMPLEMENTATION.—The Commis-
15 sioner, in consultation with the Work In-
16 centives Advisory Panel established under
17 section 201(f), shall ensure that plans for
18 evaluations and data collection methods
19 under the Program are appropriately de-
20 signed to obtain detailed employment infor-
21 mation.

22 (ii) SPECIFIC MATTERS TO BE AD-
23 DRESSED.—Each such evaluation shall ad-
24 dress (but is not limited to)—

1 (I) the annual cost (including net
2 cost) of the Program and the annual
3 cost (including net cost) that would
4 have been incurred in the absence of
5 the Program;

6 (II) the determinants of return to
7 work, including the characteristics of
8 beneficiaries in receipt of tickets
9 under the Program;

10 (III) the types of employment
11 services, vocational rehabilitation serv-
12 ices, and other support services fur-
13 nished to beneficiaries in receipt of
14 tickets under the Program who return
15 to work and to those who do not re-
16 turn to work;

17 (IV) the duration of employment
18 services, vocational rehabilitation serv-
19 ices, and other support services fur-
20 nished to beneficiaries in receipt of
21 tickets under the Program who return
22 to work and the duration of such serv-
23 ices furnished to those who do not re-
24 turn to work and the cost to employ-

1 ment networks of furnishing such
2 services;

3 (V) the employment outcomes,
4 including wages, occupations, benefits,
5 and hours worked, of beneficiaries
6 who return to work after receiving
7 tickets under the Program and those
8 who return to work without receiving
9 such tickets;

10 (VI) the characteristics of provid-
11 ers whose services are provided within
12 an employment network under the
13 Program;

14 (VII) the extent (if any) to which
15 employment networks display a great-
16 er willingness to provide services to
17 beneficiaries with a range of disabil-
18 ities;

19 (VIII) the characteristics (includ-
20 ing employment outcomes) of those
21 beneficiaries who receive services
22 under the outcome payment system
23 and of those beneficiaries who receive
24 services under the outcome-milestone
25 payment system;

1 (IX) measures of satisfaction
2 among beneficiaries in receipt of tick-
3 ets under the Program; and

4 (X) reasons for (including com-
5 ments solicited from beneficiaries re-
6 garding) their choice not to use their
7 tickets or their inability to return to
8 work despite the use of their tickets.

9 (D) PERIODIC EVALUATION REPORTS.—

10 Following the close of the third and fifth fiscal
11 years ending after the effective date under sub-
12 section (c), and prior to the close of the seventh
13 fiscal year ending after such date, the Commis-
14 sioner shall transmit to the Committee on Ways
15 and Means of the House of Representatives and
16 the Committee on Finance of the Senate a re-
17 port containing the Commissioner's evaluation
18 of the progress of activities conducted under the
19 provisions of this section and the amendments
20 made thereby. Each such report shall set forth
21 the Commissioner's evaluation of the extent to
22 which the Program has been successful and the
23 Commissioner's conclusions on whether or how
24 the Program should be modified. Each such re-
25 port shall include such data, findings, materials,

1 and recommendations as the Commissioner may
2 consider appropriate.

3 (5) EXTENT OF STATE'S RIGHT OF FIRST RE-
4 FUSAL IN ADVANCE OF FULL IMPLEMENTATION OF
5 AMENDMENTS IN SUCH STATE.—

6 (A) IN GENERAL.—In the case of any
7 State in which the amendments made by sub-
8 section (a) have not been fully implemented
9 pursuant to this subsection, the Commissioner
10 shall determine by regulation the extent to
11 which—

12 (i) the requirement under section
13 222(a) of the Social Security Act for
14 prompt referrals to a State agency, and

15 (ii) the authority of the Commissioner
16 under section 222(d)(2) of the Social Secu-
17 rity Act to provide vocational rehabilitation
18 services in such State by agreement or
19 contract with other public or private agen-
20 cies, organizations, institutions, or individ-
21 uals,

22 shall apply in such State.

23 (B) EXISTING AGREEMENTS.—Nothing in
24 subparagraph (A) or the amendments made by
25 subsection (a) shall be construed to limit, im-

1 pede, or otherwise affect any agreement entered
2 into pursuant to section 222(d)(2) of the Social
3 Security Act before the date of enactment of
4 this Act with respect to services provided pursu-
5 ant to such agreement to beneficiaries receiving
6 services under such agreement as of such date,
7 except with respect to services (if any) to be
8 provided after 3 years after the effective date
9 provided in subsection (c).

10 (e) SPECIFIC REGULATIONS REQUIRED.—

11 (1) IN GENERAL.—The Commissioner of Social
12 Security shall prescribe such regulations as are nec-
13 essary to implement the amendments made by this
14 section.

15 (2) SPECIFIC MATTERS TO BE INCLUDED IN
16 REGULATIONS.—The matters which shall be ad-
17 dressed in such regulations shall include—

18 (A) the form and manner in which tickets
19 to work and self-sufficiency may be distributed
20 to beneficiaries pursuant to section 1148(b)(1)
21 of the Social Security Act;

22 (B) the format and wording of such tick-
23 ets, which shall incorporate by reference any
24 contractual terms governing service by employ-
25 ment networks under the Program;

1 (C) the form and manner in which State
2 agencies may elect participation in the Ticket to
3 Work and Self-Sufficiency Program (and revoke
4 such an election) pursuant to section
5 1148(c)(1) of the Social Security Act and provi-
6 sion for periodic opportunities for exercising
7 such elections (and revocations);

8 (D) the status of State agencies under sec-
9 tion 1148(c)(1) at the time that State agencies
10 exercise elections (and revocations) under that
11 section;

12 (E) the terms of agreements to be entered
13 into with program managers pursuant to sec-
14 tion 1148(d) of the Social Security Act,
15 including—

16 (i) the terms by which program man-
17 agers are precluded from direct participa-
18 tion in the delivery of services pursuant to
19 section 1148(d)(3) of the Social Security
20 Act;

21 (ii) standards which must be met by
22 quality assurance measures referred to in
23 paragraph (6) of section 1148(d) and
24 methods of recruitment of employment net-

1 works utilized pursuant to paragraph (2)
2 of section 1148(e); and

3 (iii) the format under which dispute
4 resolution will operate under section
5 1148(d)(7);

6 (F) the terms of agreements to be entered
7 into with employment networks pursuant to sec-
8 tion 1148(d)(4) of the Social Security Act,
9 including—

10 (i) the manner in which service areas
11 are specified pursuant to section
12 1148(f)(2)(A) of the Social Security Act;

13 (ii) the general selection criteria and
14 the specific selection criteria which are ap-
15 plicable to employment networks under
16 section 1148(f)(1)(C) of the Social Secu-
17 rity Act in selecting service providers;

18 (iii) specific requirements relating to
19 annual financial reporting by employment
20 networks pursuant to section 1148(f)(3) of
21 the Social Security Act; and

22 (iv) the national model to which peri-
23 odic outcomes reporting by employment
24 networks must conform under section
25 1148(f)(4) of the Social Security Act;

1 (G) standards which must be met by indi-
2 vidual work plans pursuant to section 1148(g)
3 of the Social Security Act;

4 (H) standards which must be met by pay-
5 ment systems required under section 1148(h) of
6 the Social Security Act, including—

7 (i) the form and manner in which
8 elections by employment networks of pay-
9 ment systems are to be exercised pursuant
10 to section 1148(h)(1)(A);

11 (ii) the terms which must be met by
12 an outcome payment system under section
13 1148(h)(2);

14 (iii) the terms which must be met by
15 an outcome-milestone payment system
16 under section 1148(h)(3);

17 (iv) any revision of the percentage
18 specified in paragraph (2)(C) of section
19 1148(h) of the Social Security Act or the
20 period of time specified in paragraph
21 (4)(B) of such section 1148(h); and

22 (v) annual oversight procedures for
23 such systems; and

24 (I) procedures for effective oversight of the
25 Program by the Commissioner of Social Secu-

1 rity, including periodic reviews and reporting
2 requirements.

3 (f) WORK INCENTIVES ADVISORY PANEL.—

4 (1) ESTABLISHMENT.—There is established
5 within the Social Security Administration a panel to
6 be known as the “Work Incentives Advisory Panel”
7 (in this subsection referred to as the “Panel”).

8 (2) DUTIES OF PANEL.—It shall be the duty of
9 the Panel to—

10 (A) advise the Secretary of Health and
11 Human Services, the Secretary of Labor, the
12 Secretary of Education, and the Commissioner
13 of Social Security on issues related to work in-
14 centives programs, planning, and assistance for
15 individuals with disabilities, including work in-
16 centive provisions under titles II, XI, XVI,
17 XVIII, and XIX of the Social Security Act (42
18 U.S.C. 401 et seq., 1301 et seq., 1381 et seq.,
19 1395 et seq., 1396 et seq.); and

20 (B) with respect to the Ticket to Work and
21 Self-Sufficiency Program established under sec-
22 tion 1148 of the Social Security Act—

23 (i) advise the Commissioner of Social
24 Security with respect to establishing phase-
25 in sites for such Program and fully imple-

1 menting the Program thereafter, the re-
2 finement of access of disabled beneficiaries
3 to employment networks, payment systems,
4 and management information systems, and
5 advise the Commissioner whether such
6 measures are being taken to the extent
7 necessary to ensure the success of the Pro-
8 gram;

9 (ii) advise the Commissioner regard-
10 ing the most effective designs for research
11 and demonstration projects associated with
12 the Program or conducted pursuant to sec-
13 tion 302;

14 (iii) advise the Commissioner on the
15 development of performance measurements
16 relating to quality assurance under section
17 1148(d)(6) of the Social Security Act; and

18 (iv) furnish progress reports on the
19 Program to the Commissioner and each
20 House of Congress.

21 (3) MEMBERSHIP.—

22 (A) NUMBER AND APPOINTMENT.—The
23 Panel shall be composed of 12 members ap-
24 pointed by the Commissioner of Social Security
25 in consultation with the Speaker of the House

1 of Representatives, the Minority Leader of the
2 House of Representatives, the Majority Leader
3 of the Senate, and the Minority Leader of the
4 Senate.

5 (B) REPRESENTATION.—All members ap-
6 pointed to the Panel shall have experience or
7 expert knowledge in the fields of, or related to,
8 work incentive programs, employment services,
9 vocational rehabilitation services, health care
10 services, and other support services for individ-
11 uals with disabilities. At least 7 members of the
12 Panel shall be individuals with disabilities or
13 representatives of individuals with disabilities,
14 except that, of those 7 members, at least 5
15 members shall be current or former title II dis-
16 ability beneficiaries or title XVI disability bene-
17 ficiaries (as such terms are defined in section
18 1148(k) of the Social Security Act (as added by
19 subsection (a))).

20 (C) TERMS.—

21 (i) IN GENERAL.—Each member shall
22 be appointed for a term of 4 years (or, if
23 less, for the remaining life of the Panel),
24 except as provided in clauses (ii) and (iii).
25 The initial members shall be appointed not

1 later than 90 days after the date of enact-
2 ment of this Act.

3 (ii) TERMS OF INITIAL AP-
4 POINTEES.—As designated by the Commis-
5 sioner at the time of appointment, of the
6 members first appointed—

7 (I) 6 of the members appointed
8 under subparagraph (A) shall be ap-
9 pointed for a term of 2 years; and

10 (II) 6 of the members appointed
11 under subparagraph (A) shall be ap-
12 pointed for a term of 4 years.

13 (iii) VACANCIES.—Any member ap-
14 pointed to fill a vacancy occurring before
15 the expiration of the term for which the
16 member's predecessor was appointed shall
17 be appointed only for the remainder of that
18 term. A member may serve after the expi-
19 ration of that member's term until a suc-
20 cessor has taken office. A vacancy in the
21 Panel shall be filled in the manner in
22 which the original appointment was made.

23 (D) BASIC PAY.—Members shall each be
24 paid at a rate, and in a manner, that is consist-
25 ent with guidelines established under section 7

1 of the Federal Advisory Committee Act (5
2 U.S.C. App.).

3 (E) TRAVEL EXPENSES.—Each member
4 shall receive travel expenses, including per diem
5 in lieu of subsistence, in accordance with sec-
6 tions 5702 and 5703 of title 5, United States
7 Code.

8 (F) QUORUM.—Eight members of the
9 Panel shall constitute a quorum but a lesser
10 number may hold hearings.

11 (G) CHAIRPERSON.—The Chairperson of
12 the Panel shall be designated by the Commis-
13 sioner. The term of office of the Chairperson
14 shall be 4 years.

15 (H) MEETINGS.—The Panel shall meet at
16 least quarterly and at other times at the call of
17 the Chairperson or a majority of its members.

18 (4) DIRECTOR AND STAFF OF PANEL; EXPERTS
19 AND CONSULTANTS.—

20 (A) DIRECTOR.—The Panel shall have a
21 Director who shall be appointed by the Commis-
22 sioner and paid at a rate, and in a manner,
23 that is consistent with guidelines established
24 under section 7 of the Federal Advisory Com-
25 mittee Act (5 U.S.C. App.).

1 (B) STAFF.—Subject to rules prescribed
2 by the Commissioner, the Director may appoint
3 and fix the pay of additional personnel as the
4 Director considers appropriate.

5 (C) EXPERTS AND CONSULTANTS.—Sub-
6 ject to rules prescribed by the Commissioner,
7 the Director may procure temporary and inter-
8 mittent services under section 3109(b) of title
9 5, United States Code.

10 (D) STAFF OF FEDERAL AGENCIES.—
11 Upon request of the Panel, the head of any
12 Federal department or agency may detail, on a
13 reimbursable basis, any of the personnel of that
14 department or agency to the Panel to assist it
15 in carrying out its duties under this subsection.

16 (5) POWERS OF PANEL.—

17 (A) HEARINGS AND SESSIONS.—The Panel
18 may, for the purpose of carrying out its duties
19 under this subsection, hold such hearings, sit
20 and act at such times and places, and take such
21 testimony and evidence as the Panel considers
22 appropriate.

23 (B) POWERS OF MEMBERS AND AGENTS.—
24 Any member or agent of the Panel may, if au-
25 thorized by the Panel, take any action which

1 the Panel is authorized to take by this sub-
2 section.

3 (C) MAILS.—The Panel may use the
4 United States mails in the same manner and
5 under the same conditions as other departments
6 and agencies of the United States.

7 (6) REPORTS.—

8 (A) INTERIM REPORTS.—The Panel shall
9 submit to the President and Congress interim
10 reports at least annually.

11 (B) FINAL REPORT.—The Panel shall
12 transmit a final report to the President and
13 Congress not later than 8 years after the date
14 of enactment of this Act. The final report shall
15 contain a detailed statement of the findings and
16 conclusions of the Panel, together with its rec-
17 ommendations for legislation and administrative
18 actions which the Panel considers appropriate.

19 (7) TERMINATION.—The Panel shall terminate
20 30 days after the date of the submission of its final
21 report under paragraph (6)(B).

22 (8) ALLOCATION OF COSTS.—The costs of car-
23 rying out this subsection shall be paid from amounts
24 made available for the administration of title II of
25 the Social Security Act (42 U.S.C. 401 et seq.) and

1 amounts made available for the administration of
2 title XVI of that Act (42 U.S.C. 1381 et seq.), and
3 shall be allocated among those amounts as appro-
4 priate.

5 **Subtitle B—Elimination of Work**
6 **Disincentives**

7 **SEC. 211. WORK ACTIVITY STANDARD AS A BASIS FOR RE-**
8 **VIEW OF AN INDIVIDUAL'S DISABLED STATUS.**

9 Section 221 of the Social Security Act (42 U.S.C.
10 421) is amended by adding at the end the following:

11 “(m)(1) In any case where an individual entitled to
12 disability insurance benefits under section 223 or to
13 monthly insurance benefits under section 202 based on
14 such individual's disability (as defined in section 223(d))
15 has received such benefits for at least 24 months—

16 “(A) no continuing disability review conducted
17 by the Commissioner may be scheduled for the indi-
18 vidual solely as a result of the individual's work ac-
19 tivity;

20 “(B) no work activity engaged in by the individ-
21 ual may be used as evidence that the individual is
22 no longer disabled; and

23 “(C) no cessation of work activity by the indi-
24 vidual may give rise to a presumption that the indi-
25 vidual is unable to engage in work.

1 “(2) An individual to which paragraph (1) applies
2 shall continue to be subject to—

3 “(A) continuing disability reviews on a regularly
4 scheduled basis that is not triggered by work; and

5 “(B) termination of benefits under this title in
6 the event that the individual has earnings that ex-
7 ceed the level of earnings established by the Com-
8 missioner to represent substantial gainful activity.”.

9 **SEC. 212. EXPEDITED REINSTATEMENT OF DISABILITY**
10 **BENEFITS.**

11 (a) OASDI BENEFITS.—Section 223 of the Social
12 Security Act (42 U.S.C. 423) is amended—

13 (1) by redesignating subsection (i) as subsection
14 (j); and

15 (2) by inserting after subsection (h) the follow-
16 ing:

17 “Reinstatement of Entitlement

18 “(i)(1)(A) Entitlement to benefits described in sub-
19 paragraph (B)(i)(I) shall be reinstated in any case where
20 the Commissioner determines that an individual described
21 in subparagraph (B) has filed a request for reinstatement
22 meeting the requirements of paragraph (2)(A) during the
23 period prescribed in subparagraph (C). Reinstatement of
24 such entitlement shall be in accordance with the terms of
25 this subsection.

1 “(B) An individual is described in this subparagraph
2 if—

3 “(i) prior to the month in which the individual
4 files a request for reinstatement—

5 “(I) the individual was entitled to benefits
6 under this section or section 202 on the basis
7 of disability pursuant to an application filed
8 therefore; and

9 “(II) such entitlement terminated due to
10 the performance of substantial gainful activity;

11 “(ii) the individual is under a disability and the
12 physical or mental impairment that is the basis for
13 the finding of disability is the same as (or related
14 to) the physical or mental impairment that was the
15 basis for the finding of disability that gave rise to
16 the entitlement described in clause (i); and

17 “(iii) the individual’s disability renders the indi-
18 vidual unable to perform substantial gainful activity.

19 “(C)(i) Except as provided in clause (ii), the period
20 prescribed in this subparagraph with respect to an individ-
21 ual is 60 consecutive months beginning with the month
22 following the most recent month for which the individual
23 was entitled to a benefit described in subparagraph
24 (B)(i)(I) prior to the entitlement termination described in
25 subparagraph (B)(i)(II).

1 “(ii) In the case of an individual who fails to file a
2 reinstatement request within the period prescribed in
3 clause (i), the Commissioner may extend the period if the
4 Commissioner determines that the individual had good
5 cause for the failure to so file.

6 “(2)(A)(i) A request for reinstatement shall be filed
7 in such form, and containing such information, as the
8 Commissioner may prescribe.

9 “(ii) A request for reinstatement shall include express
10 declarations by the individual that the individual meets the
11 requirements specified in clauses (ii) and (iii) of para-
12 graph (1)(B).

13 “(B) A request for reinstatement filed in accordance
14 with subparagraph (A) may constitute an application for
15 benefits in the case of any individual who the Commis-
16 sioner determines is not entitled to reinstated benefits
17 under this subsection.

18 “(3) In determining whether an individual meets the
19 requirements of paragraph (1)(B)(ii), the provisions of
20 subsection (f) shall apply.

21 “(4)(A)(i) Subject to clause (ii), entitlement to bene-
22 fits reinstated under this subsection shall commence with
23 the benefit payable for the month in which a request for
24 reinstatement is filed.

1 “(ii) An individual whose entitlement to a benefit for
2 any month would have been reinstated under this sub-
3 section had the individual filed a request for reinstatement
4 before the end of such month shall be entitled to such ben-
5 efit for such month if such request for reinstatement is
6 filed before the end of the twelfth month immediately suc-
7 ceeding such month.

8 “(B)(i) Subject to clauses (ii) and (iii), the amount
9 of the benefit payable for any month pursuant to the rein-
10 statement of entitlement under this subsection shall be de-
11 termined in accordance with the provisions of this title.

12 “(ii) For purposes of computing the primary insur-
13 ance amount of an individual whose entitlement to benefits
14 under this section is reinstated under this subsection, the
15 date of onset of the individual’s disability shall be the date
16 of onset used in determining the individual’s most recent
17 period of disability arising in connection with such benefits
18 payable on the basis of an application.

19 “(iii) Benefits under this section or section 202 pay-
20 able for any month pursuant to a request for reinstate-
21 ment filed in accordance with paragraph (2) shall be re-
22 duced by the amount of any provisional benefit paid to
23 such individual for such month under paragraph (7).

24 “(C) No benefit shall be payable pursuant to an enti-
25 tlement reinstated under this subsection to an individual

1 for any month in which the individual engages in substan-
2 tial gainful activity.

3 “(D) The entitlement of any individual that is rein-
4 stated under this subsection shall end with the benefits
5 payable for the month preceding whichever of the following
6 months is the earliest:

7 “(i) The month in which the individual dies.

8 “(ii) The month in which the individual attains
9 retirement age.

10 “(iii) The third month following the month in
11 which the individual’s disability ceases.

12 “(5) Whenever an individual’s entitlement to benefits
13 under this section is reinstated under this subsection, enti-
14 tlement to benefits payable on the basis of such individ-
15 ual’s wages and self-employment income may be reinstated
16 with respect to any person previously entitled to such ben-
17 efits on the basis of an application if the Commissioner
18 determines that such person satisfies all the requirements
19 for entitlement to such benefits except requirements relat-
20 ed to the filing of an application. The provisions of para-
21 graph (4) shall apply to the reinstated entitlement of any
22 such person to the same extent that they apply to the rein-
23 stated entitlement of such individual.

24 “(6) An individual to whom benefits are payable
25 under this section or section 202 pursuant to a reinstate-

1 ment of entitlement under this subsection for 24 months
2 (whether or not consecutive) shall, with respect to benefits
3 so payable after such twenty-fourth month, be deemed for
4 purposes of paragraph (1)(B)(i)(I) and the determination,
5 if appropriate, of the termination month in accordance
6 with subsection (a)(1) of this section, or subsection (d)(1),
7 (e)(1), or (f)(1) of section 202, to be entitled to such bene-
8 fits on the basis of an application filed therefore.

9 “(7)(A) An individual described in paragraph (1)(B)
10 who files a request for reinstatement in accordance with
11 the provisions of paragraph (2)(A) shall be entitled to pro-
12 visional benefits payable in accordance with this para-
13 graph, unless the Commissioner determines that the indi-
14 vidual does not meet the requirements of paragraph
15 (1)(B)(i) or that the individual’s declaration under para-
16 graph (2)(A)(ii) is false. Any such determination by the
17 Commissioner shall be final and not subject to review
18 under subsection (b) or (g) of section 205.

19 “(B) The amount of a provisional benefit for a month
20 shall equal the amount of the last monthly benefit payable
21 to the individual under this title on the basis of an applica-
22 tion increased by an amount equal to the amount, if any,
23 by which such last monthly benefit would have been in-
24 creased as a result of the operation of section 215(i).

1 “(C)(i) Provisional benefits shall begin with the
2 month in which a request for reinstatement is filed in ac-
3 cordance with paragraph (2)(A).

4 “(ii) Provisional benefits shall end with the earliest
5 of—

6 “(I) the month in which the Commissioner
7 makes a determination regarding the individual’s en-
8 titlement to reinstated benefits;

9 “(II) the fifth month following the month de-
10 scribed in clause (i);

11 “(III) the month in which the individual per-
12 forms substantial gainful activity; or

13 “(IV) the month in which the Commissioner de-
14 termines that the individual does not meet the re-
15 quirements of paragraph (1)(B)(i) or that the indi-
16 vidual’s declaration made in accordance with para-
17 graph (2)(A)(ii) is false.

18 “(D) In any case in which the Commissioner deter-
19 mines that an individual is not entitled to reinstated bene-
20 fits, any provisional benefits paid to the individual under
21 this paragraph shall not be subject to recovery as an over-
22 payment unless the Commissioner determines that the in-
23 dividual knew or should have known that the individual
24 did not meet the requirements of paragraph (1)(B).”.

25 (b) SSI BENEFITS.—

(1) IN GENERAL.—Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended by adding at the end the following:

“Reinstatement of Eligibility on the Basis of Blindness
or Disability

6 “(p)(1)(A) Eligibility for benefits under this title
7 shall be reinstated in any case where the Commissioner
8 determines that an individual described in subparagraph
9 (B) has filed a request for reinstatement meeting the re-
10 quirements of paragraph (2)(A) during the period pre-
11 scribed in subparagraph (C). Reinstatement of eligibility
12 shall be in accordance with the terms of this subsection.

13 “(B) An individual is described in this subparagraph
14 if—

15 “(i) prior to the month in which the individual
16 files a request for reinstatement—

17 “(I) the individual was eligible for benefits
18 under this title on the basis of blindness or dis-
19 ability pursuant to an application filed there-
20 fore; and

“(II) the individual thereafter was ineligible for such benefits due to earned income (or earned and unearned income) for a period of 12 or more consecutive months;

1 “(ii) the individual is blind or disabled and the
2 physical or mental impairment that is the basis for
3 the finding of blindness or disability is the same as
4 (or related to) the physical or mental impairment
5 that was the basis for the finding of blindness or
6 disability that gave rise to the eligibility described in
7 clause (i);

8 “(iii) the individual’s blindness or disability ren-
9 ders the individual unable to perform substantial
10 gainful activity; and

11 “(iv) the individual satisfies the nonmedical re-
12 quirements for eligibility for benefits under this title.

13 “(C)(i) Except as provided in clause (ii), the period
14 prescribed in this subparagraph with respect to an individ-
15 ual is 60 consecutive months beginning with the month
16 following the most recent month for which the individual
17 was eligible for a benefit under this title (including section
18 1619) prior to the period of ineligibility described in sub-
19 paragraph (B)(i)(II).

20 “(ii) In the case of an individual who fails to file a
21 reinstatement request within the period prescribed in
22 clause (i), the Commissioner may extend the period if the
23 Commissioner determines that the individual had good
24 cause for the failure to so file.

1 “(2)(A)(i) A request for reinstatement shall be filed
2 in such form, and containing such information, as the
3 Commissioner may prescribe.

4 “(ii) A request for reinstatement shall include express
5 declarations by the individual that the individual meets the
6 requirements specified in clauses (ii) through (iv) of para-
7 graph (1)(B).

8 “(B) A request for reinstatement filed in accordance
9 with subparagraph (A) may constitute an application for
10 benefits in the case of any individual who the Commis-
11 sioner determines is not eligible for reinstated benefits
12 under this subsection.

13 “(3) In determining whether an individual meets the
14 requirements of paragraph (1)(B)(ii), the provisions of
15 section 1614(a)(4) shall apply.

16 “(4)(A) Eligibility for benefits reinstated under this
17 subsection shall commence with the benefit payable for the
18 month following the month in which a request for rein-
19 statement is filed.

20 “(B)(i) Subject to clause (ii), the amount of the bene-
21 fit payable for any month pursuant to the reinstatement
22 of eligibility under this subsection shall be determined in
23 accordance with the provisions of this title.

24 “(ii) The benefit under this title payable for any
25 month pursuant to a request for reinstatement filed in ac-

1 cordance with paragraph (2) shall be reduced by the
2 amount of any provisional benefit paid to such individual
3 for such month under paragraph (7).

4 “(C) Except as otherwise provided in this subsection,
5 eligibility for benefits under this title reinstated pursuant
6 to a request filed under paragraph (2) shall be subject
7 to the same terms and conditions as eligibility established
8 pursuant to an application filed therefore.

9 “(5) Whenever an individual’s eligibility for benefits
10 under this title is reinstated under this subsection, eligi-
11 bility for such benefits shall be reinstated with respect to
12 the individual’s spouse if such spouse was previously an
13 eligible spouse of the individual under this title and the
14 Commissioner determines that such spouse satisfies all the
15 requirements for eligibility for such benefits except re-
16 quirements related to the filing of an application. The pro-
17 visions of paragraph (4) shall apply to the reinstated eligi-
18 bility of the spouse to the same extent that they apply
19 to the reinstated eligibility of such individual.

20 “(6) An individual to whom benefits are payable
21 under this title pursuant to a reinstatement of eligibility
22 under this subsection for twenty-four months (whether or
23 not consecutive) shall, with respect to benefits so payable
24 after such twenty-fourth month, be deemed for purposes

1 of paragraph (1)(B)(i)(I) to be eligible for such benefits
2 on the basis of an application filed therefore.

3 “(7)(A) An individual described in paragraph (1)(B)
4 who files a request for reinstatement in accordance with
5 the provisions of paragraph (2)(A) shall be eligible for pro-
6 visional benefits payable in accordance with this para-
7 graph, unless the Commissioner determines that the indi-
8 vidual does not meet the requirements of paragraph
9 (1)(B)(i) or that the individual’s declaration under para-
10 graph (2)(A)(ii) is false. Any such determination by the
11 Commissioner shall be final and not subject to review
12 under paragraph (1) or (3) of subsection (c).

13 “(B)(i) Except as otherwise provided in clause (ii),
14 the amount of a provisional benefit for a month shall equal
15 the amount of the monthly benefit that would be payable
16 to an eligible individual under this title with the same kind
17 and amount of income.

18 “(ii) If the individual has a spouse who was pre-
19 viously an eligible spouse of the individual under this title
20 and the Commissioner determines that such spouse satis-
21 fies all the requirements of section 1614(b) except require-
22 ments related to the filing of an application, the amount
23 of a provisional benefit for a month shall equal the amount
24 of the month benefit that would be payable to an eligible

1 individual and eligible spouse under this title with the
2 same kind and amount of income.

3 “(C)(i) Provisional benefits shall begin with the
4 month following the month in which a request for rein-
5 statement is filed in accordance with paragraph (2)(A).

6 “(ii) Provisional benefits shall end with the earliest
7 of—

8 “(I) the month in which the Commissioner
9 makes a determination regarding the individual’s eli-
10 gibility for reinstated benefits;

11 “(II) the fifth month following the month for
12 which provisional benefits are first payable under
13 clause (i); or

14 “(III) the month in which the Commissioner de-
15 termines that the individual does not meet the re-
16 quirements of paragraph (1)(B)(i) or that the indi-
17 vidual’s declaration made in accordance with para-
18 graph (2)(A)(ii) is false.

19 “(D) In any case in which the Commissioner deter-
20 mines that an individual is not eligible for reinstated bene-
21 fits, any provisional benefits paid to the individual under
22 this paragraph shall not be subject to recovery as an over-
23 payment unless the Commissioner determines that the in-
24 dividual knew or should have known that the individual
25 did not meet the requirements of paragraph (1)(B).

1 “(8) For purposes of this subsection other than para-
2 graph (7), the term ‘benefits under this title’ includes
3 State supplementary payments made pursuant to an
4 agreement under section 1616(a) or section 212(b) of
5 Public Law 93–66.”.

6 (2) CONFORMING AMENDMENTS.—

7 (A) Section 1631(j)(1) of such Act (42
8 U.S.C. 1383(j)(1)) is amended by striking the
9 period and inserting “, or has filed a request
10 for reinstatement of eligibility under subsection
11 (p)(2) and been determined to be eligible for re-
12 instatement.”.

13 (B) Section 1631(j)(2)(A)(i)(I) of such Act
14 (42 U.S.C. 1383(j)(2)(A)(i)(I)) is amended by
15 inserting “(other than pursuant to a request for
16 reinstatement under subsection (p))” after “eli-
17 gible”.

18 (c) EFFECTIVE DATE.—

19 (1) IN GENERAL.—The amendments made by
20 this section shall take effect on the first day of the
21 thirteenth month beginning after the date of enact-
22 ment of this Act.

23 (2) LIMITATION.—No benefit shall be payable
24 under title II or XVI of the Social Security Act on
25 the basis of a request for reinstatement filed under

1 section 223(i) or 1631(p) of such Act before the ef-
2 fective date described in paragraph (1).

3 **Subtitle C—Work Incentives**
4 **Planning, Assistance, and Outreach**

5 **SEC. 221. WORK INCENTIVES OUTREACH PROGRAM.**

6 Part A of title XI of the Social Security Act (42
7 U.S.C. 1301 et seq.), as amended by section 201, is
8 amended by adding after section 1148 the following:

9 “WORK INCENTIVES OUTREACH PROGRAM

10 “SEC. 1149. (a) ESTABLISHMENT.—

11 “(1) IN GENERAL.—The Commissioner, in con-
12 sultation with the Work Incentives Advisory Panel
13 established under section 201(f) of the Work Incen-
14 tives Improvement Act of 1999, shall establish a
15 community-based work incentives planning and as-
16 sistance program for the purpose of disseminating
17 accurate information to disabled beneficiaries on
18 work incentives programs and issues related to such
19 programs.

20 “(2) GRANTS, COOPERATIVE AGREEMENTS,
21 CONTRACTS, AND OUTREACH.—Under the program
22 established under this section, the Commissioner
23 shall—

24 “(A) establish a competitive program of
25 grants, cooperative agreements, or contracts to
26 provide benefits planning and assistance, in-

1 including information on the availability of pro-
2 tection and advocacy services, to disabled bene-
3 ficiaries, including individuals participating in
4 the Ticket to Work and Self-Sufficiency Pro-
5 gram established under section 1148, the pro-
6 gram established under section 1619, and other
7 programs that are designed to encourage dis-
8 abled beneficiaries to work;

9 “(B) conduct directly, or through grants,
10 cooperative agreements, or contracts, ongoing
11 outreach efforts to disabled beneficiaries (and
12 to the families of such beneficiaries) who are
13 potentially eligible to participate in Federal or
14 State work incentive programs that are de-
15 signed to assist disabled beneficiaries to work,
16 including—

17 “(i) preparing and disseminating in-
18 formation explaining such programs; and

19 “(ii) working in cooperation with
20 other Federal, State, and private agencies
21 and nonprofit organizations that serve dis-
22 abled beneficiaries, and with agencies and
23 organizations that focus on vocational re-
24 habilitation and work-related training and
25 counseling;

1 “(C) establish a corps of trained, acces-
2 sible, and responsive work incentives specialists
3 within the Social Security Administration who
4 will specialize in disability work incentives
5 under titles II and XVI for the purpose of dis-
6 seminating accurate information with respect to
7 inquiries and issues relating to work incentives
8 to—

9 “(i) disabled beneficiaries;

10 “(ii) benefit applicants under titles II
11 and XVI; and

12 “(iii) individuals or entities awarded
13 grants under subparagraphs (A) or (B);
14 and

15 “(D) provide—

16 “(i) training for work incentives spe-
17 cialists and individuals providing planning
18 assistance described in subparagraph (C);
19 and

20 “(ii) technical assistance to organiza-
21 tions and entities that are designed to en-
22 courage disabled beneficiaries to return to
23 work.

24 “(3) COORDINATION WITH OTHER PRO-
25 GRAMS.—The responsibilities of the Commissioner

1 established under this section shall be coordinated
2 with other public and private programs that provide
3 information and assistance regarding rehabilitation
4 services and independent living supports and bene-
5 fits planning for disabled beneficiaries including the
6 program under section 1619, the plans for achieving
7 self-support program (PASS), and any other Federal
8 or State work incentives programs that are designed
9 to assist disabled beneficiaries, including educational
10 agencies that provide information and assistance re-
11 garding rehabilitation, school-to-work programs,
12 transition services (as defined in, and provided in ac-
13 cordance with, the Individuals with Disabilities Edu-
14 cation Act (20 U.S.C. 1400 et seq.)), a one-stop de-
15 livery system established under subtitle B of title I
16 of the Workforce Investment Act of 1998, and other
17 services.

18 “(b) CONDITIONS.—

19 “(1) SELECTION OF ENTITIES.—

20 “(A) APPLICATION.—An entity shall sub-
21 mit an application for a grant, cooperative
22 agreement, or contract to provide benefits plan-
23 ning and assistance to the Commissioner at
24 such time, in such manner, and containing such
25 information as the Commissioner may deter-

1 mine is necessary to meet the requirements of
2 this section.

3 “(B) STATEWIDENESS.—The Commis-
4 sioner shall ensure that the planning, assist-
5 ance, and information described in paragraph
6 (2) shall be available on a statewide basis.

7 “(C) ELIGIBILITY OF STATES AND PRI-
8 VATE ORGANIZATIONS.—

9 “(i) IN GENERAL.—The Commissioner
10 may award a grant, cooperative agreement,
11 or contract under this section to a State or
12 a private agency or organization (other
13 than Social Security Administration Field
14 Offices and the State agency administering
15 the State medicaid program under title
16 XIX, including any agency or entity de-
17 scribed in clause (ii), that the Commis-
18 sioner determines is qualified to provide
19 the planning, assistance, and information
20 described in paragraph (2)).

21 “(ii) AGENCIES AND ENTITIES DE-
22 SCRIBED.—The agencies and entities de-
23 scribed in this clause are the following:

24 “(I) Any public or private agency
25 or organization (including Centers for

1 Independent Living established under
2 title VII of the Rehabilitation Act of
3 1973, protection and advocacy organi-
4 zations, client assistance programs es-
5 tablished in accordance with section
6 112 of the Rehabilitation Act of 1973,
7 and State Developmental Disabilities
8 Councils established in accordance
9 with section 124 of the Developmental
10 Disabilities Assistance and Bill of
11 Rights Act (42 U.S.C. 6024)) that the
12 Commissioner determines satisfies the
13 requirements of this section.

14 “(II) The State agency admin-
15 istering the State program funded
16 under part A of title IV.

17 “(D) EXCLUSION FOR CONFLICT OF IN-
18 TEREST.—The Commissioner may not award a
19 grant, cooperative agreement, or contract under
20 this section to any entity that the Commissioner
21 determines would have a conflict of interest if
22 the entity were to receive a grant, cooperative
23 agreement, or contract under this section.

24 “(2) SERVICES PROVIDED.—A recipient of a
25 grant, cooperative agreement, or contract to provide

1 benefits planning and assistance shall select individ-
2 uals who will act as planners and provide informa-
3 tion, guidance, and planning to disabled beneficiaries
4 on the—

5 “(A) availability and interrelation of any
6 Federal or State work incentives programs de-
7 signed to assist disabled beneficiaries that the
8 individual may be eligible to participate in;

9 “(B) adequacy of any health benefits cov-
10 erage that may be offered by an employer of
11 the individual and the extent to which other
12 health benefits coverage may be available to the
13 individual; and

14 “(C) availability of protection and adv-
15 ocacy services for disabled beneficiaries and how
16 to access such services.

17 “(3) AMOUNT OF GRANTS, COOPERATIVE
18 AGREEMENTS, OR CONTRACTS.—

19 “(A) BASED ON POPULATION OF DIS-
20 ABLED BENEFICIARIES.—Subject to subpara-
21 graph (B), the Commissioner shall award a
22 grant, cooperative agreement, or contract under
23 this section to an entity based on the percent-
24 age of the population of the State where the en-
25 tity is located who are disabled beneficiaries.

1 “(B) LIMITATIONS.—

2 “(i) PER GRANT.—No entity shall re-
3 ceive a grant, cooperative agreement, or
4 contract under this section for a fiscal year
5 that is less than \$50,000 or more than
6 \$300,000.

7 “(ii) TOTAL AMOUNT FOR ALL
8 GRANTS, COOPERATIVE AGREEMENTS, AND
9 CONTRACTS.—The total amount of all
10 grants, cooperative agreements, and con-
11 tracts awarded under this section for a fis-
12 cal year may not exceed \$23,000,000.

13 “(4) ALLOCATION OF COSTS.—The costs of car-
14 rying out this section shall be paid from amounts
15 made available for the administration of title II and
16 amounts made available for the administration of
17 title XVI, and shall be allocated among those
18 amounts as appropriate.

19 “(c) DEFINITIONS.—In this section:

20 “(1) COMMISSIONER.—The term ‘Commis-
21 sioner’ means the Commissioner of Social Security.

22 “(2) DISABLED BENEFICIARY.—The term ‘dis-
23 abled beneficiary’ has the meaning given that term
24 in section 1148(k)(2).’.

1 **SEC. 222. STATE GRANTS FOR WORK INCENTIVES ASSIST-**
2 **ANCE TO DISABLED BENEFICIARIES.**

3 Part A of title XI of the Social Security Act (42
4 U.S.C. 1301 et seq.), as amended by section 221, is
5 amended by adding after section 1149 the following:

6 “STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO
7 DISABLED BENEFICIARIES

8 “SEC. 1150. (a) IN GENERAL.—Subject to subsection
9 (c), the Commissioner may make payments in each State
10 to the protection and advocacy system established pursu-
11 ant to part C of title I of the Developmental Disabilities
12 Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.)
13 for the purpose of providing services to disabled bene-
14 ficiaries.

15 “(b) SERVICES PROVIDED.—Services provided to dis-
16 abled beneficiaries pursuant to a payment made under this
17 section may include—

18 “(1) information and advice about obtaining vo-
19 cational rehabilitation and employment services; and

20 “(2) advocacy or other services that a disabled
21 beneficiary may need to secure or regain gainful em-
22 ployment.

23 “(c) APPLICATION.—In order to receive payments
24 under this section, a protection and advocacy system shall
25 submit an application to the Commissioner, at such time,

1 in such form and manner, and accompanied by such infor-
2 mation and assurances as the Commissioner may require.

3 “(d) AMOUNT OF PAYMENTS.—

4 “(1) IN GENERAL.—Subject to the amount ap-
5 propriated for a fiscal year for making payments
6 under this section, a protection and advocacy system
7 shall not be paid an amount that is less than—

8 “(A) in the case of a protection and advo-
9 cacy system located in a State (including the
10 District of Columbia and Puerto Rico) other
11 than Guam, American Samoa, the United
12 States Virgin Islands, and the Commonwealth
13 of the Northern Mariana Islands, the greater
14 of—

15 “(i) \$100,000; or

16 “(ii) $\frac{1}{3}$ of 1 percent of the amount
17 available for payments under this section;
18 and

19 “(B) in the case of a protection and advo-
20 cacy system located in Guam, American Samoa,
21 the United States Virgin Islands, and the Com-
22 monwealth of the Northern Mariana Islands,
23 \$50,000.

24 “(2) INFLATION ADJUSTMENT.—For each fiscal
25 year in which the total amount appropriated to carry

1 out this section exceeds the total amount appro-
2 priated to carry out this section in the preceding fis-
3 cal year, the Commissioner shall increase each mini-
4 mum payment under subparagraphs (A) and (B) of
5 paragraph (1) by a percentage equal to the percent-
6 age increase in the total amount appropriated to
7 carry out this section between the preceding fiscal
8 year and the fiscal year involved.

9 “(e) ANNUAL REPORT.—Each protection and advo-
10 cacy system that receives a payment under this section
11 shall submit an annual report to the Commissioner and
12 the Work Incentives Advisory Panel established under sec-
13 tion 201(f) of the Work Incentives Improvement Act of
14 1999 on the services provided to individuals by the system.

15 “(f) FUNDING.—

16 “(1) ALLOCATION OF PAYMENTS.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graph (B), payments under this section shall be
19 made from amounts made available for the ad-
20 ministration of title II and amounts made avail-
21 able for the administration of title XVI, and
22 shall be allocated among those amounts as ap-
23 propriate.

24 “(B) LIMITATION.—Payments under this
25 section shall not exceed \$7,000,000 for fiscal

1 year 2000, and such sums as may be necessary
2 for any fiscal year thereafter.

3 “(2) CARRYOVER.—Any amounts allotted for
4 payment to a protection and advocacy system under
5 this section for a fiscal year shall remain available
6 for payment to or on behalf of the protection and
7 advocacy system until the end of the succeeding fis-
8 cal year.

9 “(g) DEFINITIONS.—In this section:

10 “(1) COMMISSIONER.—The term ‘Commis-
11 sioner’ means the Commissioner of Social Security.

12 “(2) DISABLED BENEFICIARY.—The term ‘dis-
13 abled beneficiary’ has the meaning given that term
14 in section 1148(k)(2).

15 “(3) PROTECTION AND ADVOCACY SYSTEM.—
16 The term ‘protection and advocacy system’ means a
17 protection and advocacy system established pursuant
18 to part C of title I of the Developmental Disabilities
19 Assistance and Bill of Rights Act (42 U.S.C. 6041
20 et seq.).”.

1 **TITLE III—DEMONSTRATION**
2 **PROJECTS AND STUDIES**

3 **SEC. 301. PERMANENT EXTENSION OF DISABILITY INSUR-**
4 **ANCE PROGRAM DEMONSTRATION PROJECT**
5 **AUTHORITY.**

6 (a) PERMANENT EXTENSION OF AUTHORITY.—Title
7 II of the Social Security Act (42 U.S.C. 401 et seq.) is
8 amended by adding at the end the following:

9 “DEMONSTRATION PROJECT AUTHORITY

10 “SEC. 234. (a) AUTHORITY.—

11 “(1) IN GENERAL.—The Commissioner of So-
12 cial Security (in this section referred to as the ‘Com-
13 missioner’) shall develop and carry out experiments
14 and demonstration projects designed to determine
15 the relative advantages and disadvantages of—

16 “(A) various alternative methods of treat-
17 ing the work activity of individuals entitled to
18 disability insurance benefits under section 223
19 or to monthly insurance benefits under section
20 202 based on such individual’s disability (as de-
21 fined in section 223(d)), including such meth-
22 ods as a reduction in benefits based on earn-
23 ings, designed to encourage the return to work
24 of such individuals;

1 “(B) altering other limitations and condi-
2 tions applicable to such individuals (including
3 lengthening the trial work period (as defined in
4 section 222(c)), altering the 24-month waiting
5 period for hospital insurance benefits under sec-
6 tion 226, altering the manner in which the pro-
7 gram under this title is administered, earlier re-
8 ferral of such individuals for rehabilitation, and
9 greater use of employers and others to develop,
10 perform, and otherwise stimulate new forms of
11 rehabilitation); and

12 “(C) implementing sliding scale benefit off-
13 sets using variations in—

14 “(i) the amount of the offset as a pro-
15 portion of earned income;

16 “(ii) the duration of the offset period;
17 and

18 “(iii) the method of determining the
19 amount of income earned by such individ-
20 uals,

21 to the end that savings will accrue to the Trust
22 Funds, or to otherwise promote the objectives or fa-
23 cilitate the administration of this title.

24 “(2) AUTHORITY FOR EXPANSION OF SCOPE.—

25 The Commissioner may expand the scope of any

1 such experiment or demonstration project to include
2 any group of applicants for benefits under the pro-
3 gram established under this title with impairments
4 that reasonably may be presumed to be disabling for
5 purposes of such demonstration project, and may
6 limit any such demonstration project to any such
7 group of applicants, subject to the terms of such
8 demonstration project which shall define the extent
9 of any such presumption.

10 “(b) REQUIREMENTS.—The experiments and dem-
11 onstration projects developed under subsection (a) shall be
12 of sufficient scope and shall be carried out on a wide
13 enough scale to permit a thorough evaluation of the alter-
14 native methods under consideration while giving assurance
15 that the results derived from the experiments and projects
16 will obtain generally in the operation of the disability in-
17 surance program under this title without committing such
18 program to the adoption of any particular system either
19 locally or nationally.

20 “(c) AUTHORITY TO WAIVE COMPLIANCE WITH
21 BENEFITS REQUIREMENTS.—In the case of any experi-
22 ment or demonstration project conducted under subsection
23 (a), the Commissioner may waive compliance with the ben-
24 efit requirements of this title, and the Secretary may
25 (upon the request of the Commissioner) waive compliance

1 with the benefits requirements of title XVIII, insofar as
2 is necessary for a thorough evaluation of the alternative
3 methods under consideration. No such experiment or
4 project shall be actually placed in operation unless at least
5 90 days prior thereto a written report, prepared for pur-
6 poses of notification and information only and containing
7 a full and complete description thereof, has been transmit-
8 ted by the Commissioner to the Committee on Ways and
9 Means of the House of Representatives and to the Com-
10 mittee on Finance of the Senate. Periodic reports on the
11 progress of such experiments and demonstration projects
12 shall be submitted by the Commissioner to such commit-
13 tees. When appropriate, such reports shall include detailed
14 recommendations for changes in administration or law, or
15 both, to carry out the objectives stated in subsection (a).

16 “(d) REPORTS.—

17 “(1) INTERIM REPORTS.—On or before June 9
18 of each year, the Commissioner shall submit to the
19 Committee on Ways and Means of the House of
20 Representatives and to the Committee on Finance of
21 the Senate an interim report on the progress of the
22 experiments and demonstration projects carried out
23 under this subsection together with any related data
24 and materials that the Commissioner may consider
25 appropriate.

1 “(2) FINAL REPORTS.—Not later than 90 days
2 after the termination of any experiment or dem-
3 onstration project carried out under this section, the
4 Commissioner shall submit to the Committee on
5 Ways and Means of the House of Representatives
6 and to the Committee on Finance of the Senate a
7 final report with respect to that experiment and
8 demonstration project.”.

9 (b) CONFORMING AMENDMENTS; TRANSFER OF
10 PRIOR AUTHORITY.—

11 (1) CONFORMING AMENDMENTS.—

12 (A) REPEAL OF PRIOR AUTHORITY.—Para-
13 graphs (1) through (4) of subsection (a) and
14 subsection (c) of section 505 of the Social Secu-
15 rity Disability Amendments of 1980 (42 U.S.C.
16 1310 note) are repealed.

17 (B) CONFORMING AMENDMENT REGARD-
18 ING FUNDING.—Section 201(k) of the Social
19 Security Act (42 U.S.C. 401(k)) is amended by
20 striking “section 505(a) of the Social Security
21 Disability Amendments of 1980” and inserting
22 “section 234”.

23 (2) TRANSFER OF PRIOR AUTHORITY.—With
24 respect to any experiment or demonstration project
25 being conducted under section 505(a) of the Social

1 Security Disability Amendments of 1980 (42 U.S.C.
2 1310 note) as of the date of enactment of this Act,
3 the authority to conduct such experiment or dem-
4 onstration project (including the terms and condi-
5 tions applicable to the experiment or demonstration
6 project) shall be treated as if that authority (and
7 such terms and conditions) had been established
8 under section 234 of the Social Security Act, as
9 added by subsection (a).

10 **SEC. 302. DEMONSTRATION PROJECTS PROVIDING FOR RE-**
11 **DUCTIONS IN DISABILITY INSURANCE BENE-**
12 **FITS BASED ON EARNINGS.**

13 (a) **AUTHORITY.**—The Commissioner of Social Secu-
14 rity shall conduct demonstration projects for the purpose
15 of evaluating, through the collection of data, a program
16 for title II disability beneficiaries (as defined in section
17 1148(k)(3) of the Social Security Act) under which each
18 \$1 of benefits payable under section 223, or under section
19 202 based on the beneficiary's disability, is reduced for
20 each \$2 of such beneficiary's earnings that is above a level
21 to be determined by the Commissioner. Such projects shall
22 be conducted at a number of localities which the Commis-
23 sioner shall determine is sufficient to adequately evaluate
24 the appropriateness of national implementation of such a
25 program. Such projects shall identify reductions in Fed-

1 eral expenditures that may result from the permanent im-
2 plementation of such a program.

3 (b) SCOPE AND SCALE AND MATTERS TO BE DETER-
4 MINED.—

5 (1) IN GENERAL.—The demonstration projects
6 developed under subsection (a) shall be of sufficient
7 duration, shall be of sufficient scope, and shall be
8 carried out on a wide enough scale to permit a thor-
9 ough evaluation of the project to determine—

10 (A) the effects, if any, of induced entry
11 into the project and reduced exit from the
12 project;

13 (B) the extent, if any, to which the project
14 being tested is affected by whether it is in oper-
15 ation in a locality within an area under the ad-
16 ministration of the Ticket to Work and Self-
17 Sufficiency Program established under section
18 1148 of the Social Security Act; and

19 (C) the savings that accrue to the Federal
20 Old-Age and Survivors Insurance Trust Fund,
21 the Federal Disability Insurance Trust Fund,
22 and other Federal programs under the project
23 being tested.

1 The Commissioner shall take into account advice
2 provided by the Work Incentives Advisory Panel pur-
3 suant to section 201(f)(2)(B)(ii).

4 (2) ADDITIONAL MATTERS.—The Commissioner
5 shall also determine with respect to each project—

6 (A) the annual cost (including net cost) of
7 the project and the annual cost (including net
8 cost) that would have been incurred in the ab-
9 sence of the project;

10 (B) the determinants of return to work, in-
11 cluding the characteristics of the beneficiaries
12 who participate in the project; and

13 (C) the employment outcomes, including
14 wages, occupations, benefits, and hours worked,
15 of beneficiaries who return to work as a result
16 of participation in the project.

17 The Commissioner may include within the matters
18 evaluated under the project the merits of trial work
19 periods and periods of extended eligibility.

20 (c) WAIVERS.—The Commissioner may waive compli-
21 ance with the benefit provisions of title II of the Social
22 Security Act, and the Secretary of Health and Human
23 Services may waive compliance with the benefit require-
24 ments of title XVIII of that Act, insofar as is necessary
25 for a thorough evaluation of the alternative methods under

1 consideration. No such project shall be actually placed in
2 operation unless at least 90 days prior thereto a written
3 report, prepared for purposes of notification and informa-
4 tion only and containing a full and complete description
5 thereof, has been transmitted by the Commissioner to the
6 Committee on Ways and Means of the House of Rep-
7 resentatives and to the Committee on Finance of the Sen-
8 ate. Periodic reports on the progress of such projects shall
9 be submitted by the Commissioner to such committees.
10 When appropriate, such reports shall include detailed rec-
11 ommendations for changes in administration or law, or
12 both, to carry out the objectives stated in subsection (a).

13 (d) INTERIM REPORTS.—Not later than 2 years after
14 the date of enactment of this Act, and annually thereafter,
15 the Commissioner of Social Security shall submit to Con-
16 gress an interim report on the progress of the demonstra-
17 tion projects carried out under this subsection together
18 with any related data and materials that the Commis-
19 sioner of Social Security may consider appropriate.

20 (e) FINAL REPORT.—The Commissioner of Social Se-
21 curity shall submit to Congress a final report with respect
22 to all demonstration projects carried out under this section
23 not later than 1 year after their completion.

24 (f) EXPENDITURES.—Expenditures made for dem-
25 onstration projects under this section shall be made from

1 the Federal Disability Insurance Trust Fund and the Fed-
2 eral Old-Age and Survivors Insurance Trust Fund, as de-
3 termined appropriate by the Commissioner of Social Secu-
4 rity, and from the Federal Hospital Insurance Trust Fund
5 and the Federal Supplementary Medical Insurance Trust
6 Fund, as determined appropriate by the Secretary of
7 Health and Human Services, to the extent provided in ad-
8 vance in appropriation Acts.

9 **SEC. 303. STUDIES AND REPORTS.**

10 (a) STUDY BY GENERAL ACCOUNTING OFFICE OF
11 EXISTING DISABILITY-RELATED EMPLOYMENT INCEN-
12 TIVES.—

13 (1) STUDY.—As soon as practicable after the
14 date of enactment of this Act, the Comptroller Gen-
15 eral of the United States shall undertake a study to
16 assess existing tax credits and other disability-relat-
17 ed employment incentives under the Americans with
18 Disabilities Act of 1990 and other Federal laws. In
19 such study, the Comptroller General shall specifically
20 address the extent to which such credits and other
21 incentives would encourage employers to hire and re-
22 tain individuals with disabilities.

23 (2) REPORT.—Not later than 3 years after the
24 date of enactment of this Act, the Comptroller Gen-
25 eral shall transmit to the Committee on Ways and

1 Means of the House of Representatives and the
2 Committee on Finance of the Senate a written re-
3 port presenting the results of the Comptroller Gen-
4 eral's study conducted pursuant to this subsection,
5 together with such recommendations for legislative
6 or administrative changes as the Comptroller Gen-
7 eral determines are appropriate.

8 (b) STUDY BY GENERAL ACCOUNTING OFFICE OF
9 EXISTING COORDINATION OF THE DI AND SSI PROGRAMS
10 AS THEY RELATE TO INDIVIDUALS ENTERING OR LEAV-
11 ING CONCURRENT ENTITLEMENT.—

12 (1) STUDY.—As soon as practicable after the
13 date of enactment of this Act, the Comptroller Gen-
14 eral of the United States shall undertake a study to
15 evaluate the coordination under current law of the
16 disability insurance program under title II of the So-
17 cial Security Act and the supplemental security in-
18 come program under title XVI of that Act, as such
19 programs relate to individuals entering or leaving
20 concurrent entitlement under such programs. In
21 such study, the Comptroller General shall specifically
22 address the effectiveness of work incentives under
23 such programs with respect to such individuals and
24 the effectiveness of coverage of such individuals

1 under titles XVIII and XIX of the Social Security
2 Act.

3 (2) REPORT.—Not later than 3 years after the
4 date of enactment of this Act, the Comptroller Gen-
5 eral shall transmit to the Committee on Ways and
6 Means of the House of Representatives and the
7 Committee on Finance of the Senate a written re-
8 port presenting the results of the Comptroller Gen-
9 eral's study conducted pursuant to this subsection,
10 together with such recommendations for legislative
11 or administrative changes as the Comptroller Gen-
12 eral determines are appropriate.

13 (c) STUDY BY GENERAL ACCOUNTING OFFICE OF
14 THE IMPACT OF THE SUBSTANTIAL GAINFUL ACTIVITY
15 LIMIT ON RETURN TO WORK.—

16 (1) STUDY.—As soon as practicable after the
17 date of enactment of this Act, the Comptroller Gen-
18 eral of the United States shall undertake a study of
19 the substantial gainful activity level applicable as of
20 that date to recipients of benefits under section 223
21 of the Social Security Act (42 U.S.C. 423) and
22 under section 202 of that Act (42 U.S.C. 402) on
23 the basis of a recipient having a disability, and the
24 effect of such level as a disincentive for those recipi-
25 ents to return to work. In the study, the Comptroller

1 General also shall address the merits of increasing
2 the substantial gainful activity level applicable to
3 such recipients of benefits and the rationale for not
4 yearly indexing that level to inflation.

5 (2) REPORT.—Not later than 2 years after the
6 date of enactment of this Act, the Comptroller Gen-
7 eral shall transmit to the Committee on Ways and
8 Means of the House of Representatives and the
9 Committee on Finance of the Senate a written re-
10 port presenting the results of the Comptroller Gen-
11 eral's study conducted pursuant to this subsection,
12 together with such recommendations for legislative
13 or administrative changes as the Comptroller Gen-
14 eral determines are appropriate.

15 (d) REPORT ON DISREGARDS UNDER THE DI AND
16 SSI PROGRAMS.—Not later than 90 days after the date
17 of enactment of this Act, the Commissioner of Social Secu-
18 rity shall submit to the Committee on Ways and Means
19 of the House of Representatives and the Committee on
20 Finance of the Senate a report that—

21 (1) identifies all income, assets, and resource
22 disregards (imposed under statutory or regulatory
23 authority) that are applicable to individuals receiving
24 benefits under title II or XVI of the Social Security
25 Act (42 U.S.C. 401 et seq., 1381 et seq.);

1 (2) with respect to each such disregard—

2 (A) specifies the most recent statutory or
3 regulatory modification of the disregard; and

4 (B) recommends whether further statutory
5 or regulatory modification of the disregard
6 would be appropriate; and

7 (3) with respect to the disregard described in
8 section 1612(b)(7) of the Social Security Act (42
9 U.S.C. 1382a(b)(7)) (relating to grants, scholar-
10 ships, or fellowships received for use in paying the
11 cost of tuition and fees at any educational (including
12 technical or vocational education) institution)—

13 (A) identifies the number of individuals re-
14 ceiving benefits under title XVI of such Act (42
15 U.S.C. 1381 et seq.) who have attained age 22
16 and have not had any portion of any grant,
17 scholarship, or fellowship received for use in
18 paying the cost of tuition and fees at any edu-
19 cational (including technical or vocational edu-
20 cation) institution excluded from their income
21 in accordance with that section;

22 (B) recommends whether the age at which
23 such grants, scholarships, or fellowships are ex-
24 cluded from income for purposes of determining

1 eligibility under title XVI of the Social Security
2 Act should be increased to age 25; and

3 (C) recommends whether such disregard
4 should be expanded to include any such grant,
5 scholarship, or fellowship received for use in
6 paying the cost of room and board at any such
7 institution.

8 **TITLE IV—TECHNICAL**
9 **AMENDMENTS**

10 **SEC. 401. TECHNICAL AMENDMENTS RELATING TO DRUG**
11 **ADDICTS AND ALCOHOLICS.**

12 (a) CLARIFICATION RELATING TO THE EFFECTIVE
13 DATE OF THE DENIAL OF SOCIAL SECURITY DISABILITY
14 BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.—Sec-
15 tion 105(a)(5) of the Contract with America Advancement
16 Act of 1996 (Public Law 104–121; 110 Stat. 853) is
17 amended—

18 (1) in subparagraph (A), by striking “by the
19 Commissioner of Social Security” and “by the Com-
20 missioner”; and

21 (2) by adding at the end the following:

22 “(D) For purposes of this paragraph, an
23 individual’s claim, with respect to benefits
24 under title II of the Social Security Act based
25 on disability, which has been denied in whole

1 before the date of enactment of this Act, may
2 not be considered to be finally adjudicated be-
3 fore such date if, on or after such date—

4 “(i) there is pending a request for ei-
5 ther administrative or judicial review with
6 respect to such claim, or

7 “(ii) there is pending, with respect to
8 such claim, a readjudication by the Com-
9 missioner of Social Security pursuant to
10 relief in a class action or implementation
11 by the Commissioner of a court remand
12 order.

13 “(E) Notwithstanding the provisions of
14 this paragraph, with respect to any individual
15 for whom the Commissioner of Social Security
16 does not perform the entitlement redetermina-
17 tion before the date prescribed in subparagraph
18 (C), the Commissioner shall perform such enti-
19 tlement redetermination in lieu of a continuing
20 disability review whenever the Commissioner de-
21 termines that the individual’s entitlement is
22 subject to redetermination based on the preced-
23 ing provisions of this paragraph, and the provi-
24 sions of section 223(f) of the Social Security
25 Act shall not apply to such redetermination.”.

1 (b) CORRECTION TO EFFECTIVE DATE OF PROVI-
2 SIONS CONCERNING REPRESENTATIVE PAYEES AND
3 TREATMENT REFERRALS OF SOCIAL SECURITY BENE-
4 FICIARIES WHO ARE DRUG ADDICTS AND ALCOHOLICS.—
5 Section 105(a)(5)(B) of the Contract with America Ad-
6 vancement Act of 1996 (42 U.S.C. 405 note) is amended
7 to read as follows:

8 “(B) The amendments made by para-
9 graphs (2) and (3) shall take effect on July 1,
10 1996, with respect to any individual—

11 “(i) whose claim for benefits is finally
12 adjudicated on or after the date of enact-
13 ment of this Act; or

14 “(ii) whose entitlement to benefits is
15 based on an entitlement redetermination
16 made pursuant to subparagraph (C).”.

17 (c) EFFECTIVE DATES.—The amendments made by
18 this section shall take effect as if included in the enact-
19 ment of section 105 of the Contract with America Ad-
20 vancement Act of 1996 (Public Law 104–121; 110 Stat.
21 852 et seq.).

22 **SEC. 402. TREATMENT OF PRISONERS.**

23 (a) IMPLEMENTATION OF PROHIBITION AGAINST
24 PAYMENT OF TITLE II BENEFITS TO PRISONERS.—

1 (1) IN GENERAL.—Section 202(x)(3) of the So-
2 cial Security Act (42 U.S.C. 402(x)(3)) is
3 amended—

4 (A) by inserting “(A)” after “(3)”; and

5 (B) by adding at the end the following:

6 “(B)(i) The Commissioner shall enter into an agree-
7 ment under this subparagraph with any interested State
8 or local institution comprising a jail, prison, penal institu-
9 tion, or correctional facility, or comprising any other insti-
10 tution a purpose of which is to confine individuals as de-
11 scribed in paragraph (1)(A)(ii). Under such agreement—

12 “(I) the institution shall provide to the Com-
13 missioner, on a monthly basis and in a manner spec-
14 ified by the Commissioner, the names, Social Secu-
15 rity account numbers, dates of birth, confinement
16 commencement dates, and, to the extent available to
17 the institution, such other identifying information
18 concerning the individuals confined in the institution
19 as the Commissioner may require for the purpose of
20 carrying out paragraph (1); and

21 “(II) the Commissioner shall pay to the institu-
22 tion, with respect to information described in sub-
23 clause (I) concerning each individual who is confined
24 therein as described in paragraph (1)(A), who re-
25 ceives a benefit under this title for the month pre-

1 ceding the first month of such confinement, and
2 whose benefit under this title is determined by the
3 Commissioner to be not payable by reason of con-
4 finement based on the information provided by the
5 institution, \$400 (subject to reduction under clause
6 (ii)) if the institution furnishes the information to
7 the Commissioner within 30 days after the date such
8 individual's confinement in such institution begins,
9 or \$200 (subject to reduction under clause (ii)) if
10 the institution furnishes the information after 30
11 days after such date but within 90 days after such
12 date.

13 “(ii) The dollar amounts specified in clause (i)(II)
14 shall be reduced by 50 percent if the Commissioner is also
15 required to make a payment to the institution with respect
16 to the same individual under an agreement entered into
17 under section 1611(e)(1)(I).

18 “(iii) There is authorized to be transferred from the
19 Federal Old-Age and Survivors Insurance Trust Fund and
20 the Federal Disability Insurance Trust Fund, as appro-
21 priate, such sums as may be necessary to enable the Com-
22 missioner to make payments to institutions required by
23 clause (i)(II).

24 “(iv) The Commissioner is authorized to provide, on
25 a reimbursable basis, information obtained pursuant to

1 agreements entered into under clause (i) to any agency
2 administering a Federal or federally assisted cash, food,
3 or medical assistance program for eligibility purposes.”.

4 (2) CONFORMING AMENDMENT TO THE PRI-
5 VACY ACT.—Section 552a(a)(8)(B) of title 5, United
6 States Code, is amended—

7 (A) in clause (vi), by striking “or” at the
8 end;

9 (B) in clause (vii), by adding “or” at the
10 end; and

11 (C) by adding at the end the following:

12 “(viii) matches performed pursuant to
13 section 202(x)(3)(B) or 1611(e)(1)(I) of
14 the Social Security Act (42 U.S.C.
15 402(x)(3)(B), 1382(e)(1)(I));”.

16 (3) EFFECTIVE DATE.—The amendments made
17 by this subsection shall apply to individuals whose
18 period of confinement in an institution commences
19 on or after the first day of the fourth month begin-
20 ning after the month in which this Act is enacted.

21 (b) ELIMINATION OF TITLE II REQUIREMENT THAT
22 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-
23 PRISONMENT FOR MORE THAN 1 YEAR.—

1 (1) IN GENERAL.—Section 202(x)(1)(A) of the
2 Social Security Act (42 U.S.C. 402(x)(1)(A)) is
3 amended—

4 (A) in the matter preceding clause (i), by
5 striking “during” and inserting “throughout”;

6 (B) in clause (i), by striking “an offense
7 punishable by imprisonment for more than 1
8 year (regardless of the actual sentence im-
9 posed)” and inserting “a criminal offense”; and

10 (C) in clause (ii)(I), by striking “an of-
11 fense punishable by imprisonment for more
12 than 1 year” and inserting “a criminal of-
13 fense”.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to individuals whose
16 period of confinement in an institution commences
17 on or after the first day of the fourth month begin-
18 ning after the month in which this Act is enacted.

19 (c) CONFORMING TITLE XVI AMENDMENTS.—

20 (1) FIFTY PERCENT REDUCTION IN TITLE XVI
21 PAYMENT IN CASE INVOLVING COMPARABLE TITLE II
22 PAYMENT.—Section 1611(e)(1)(I) of the Social Se-
23 curity Act (42 U.S.C. 1382(e)(1)(I)) is amended—

1 (A) in clause (i)(II), by inserting “(subject
2 to reduction under clause (ii))” after “\$400”
3 and after “\$200”;

4 (B) by redesignating clauses (ii) and (iii)
5 as clauses (iii) and (iv), respectively; and

6 (C) by inserting after clause (i) the follow-
7 ing:

8 “(ii) The dollar amounts specified in clause (i)(II)
9 shall be reduced by 50 percent if the Commissioner is also
10 required to make a payment to the institution with respect
11 to the same individual under an agreement entered into
12 under section 202(x)(3)(B).”.

13 (2) EXPANSION OF CATEGORIES OF INSTITU-
14 TIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH
15 THE COMMISSIONER.—Section 1611(e)(1)(I)(i) of
16 the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i))
17 is amended in the matter preceding subclause (I) by
18 striking “institution” and all that follows through
19 “section 202(x)(1)(A),” and inserting “institution
20 comprising a jail, prison, penal institution, or correc-
21 tional facility, or with any other interested State or
22 local institution a purpose of which is to confine in-
23 dividuals as described in section 202(x)(1)(A)(ii).”.

24 (3) ELIMINATION OF OVERLY BROAD EXEMP-
25 TION.—Section 1611(e)(1)(I)(iii) of such Act (42

1 U.S.C. 1382(e)(1)(I)(iii)) (as redesignated by para-
2 graph (1)(B), is amended by striking “(I) The provi-
3 sions” and all that follows through “(II)”.

4 (4) EFFECTIVE DATE.—The amendments made
5 by this subsection shall take effect as if included in
6 the enactment of section 203(a) of the Personal Re-
7 sponsibility and Work Opportunity Reconciliation
8 Act of 1996 (Public Law 104–193; 110 Stat. 2186).
9 The reference to section 202(x)(1)(A)(ii) of the So-
10 cial Security Act in section 1611(e)(1)(I)(i) of the
11 Social Security Act as amended by paragraph (2)
12 shall be deemed a reference to such section
13 202(x)(1)(A)(ii) as amended by subsection (b)(1)(C).

14 (d) CONTINUED DENIAL OF BENEFITS TO SEX OF-
15 FENDERS REMAINING CONFINED TO PUBLIC INSTITU-
16 TIONS UPON COMPLETION OF PRISON TERM.—

17 (1) IN GENERAL.—Section 202(x)(1)(A) of the
18 Social Security Act (42 U.S.C. 402(x)(1)(A)) is
19 amended—

20 (A) in clause (i), by striking “or” at the
21 end;

22 (B) in clause (ii)(IV), by striking the pe-
23 riod and inserting “, or”; and

24 (C) by adding at the end the following:

1 “(iii) immediately upon completion of confine-
2 ment as described in clause (i) pursuant to convic-
3 tion of a criminal offense an element of which is sex-
4 ual activity, is confined by court order in an institu-
5 tion at public expense pursuant to a finding that the
6 individual is a sexually dangerous person or a sexual
7 predator or a similar finding.”.

8 (2) CONFORMING AMENDMENT.—Section
9 202(x)(1)(B)(ii) of the Social Security Act (42
10 U.S.C. 402(x)(1)(B)(ii)) is amended by striking
11 “clause (ii)” and inserting “clauses (ii) and (iii)”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply with respect to bene-
14 fits for months ending after the date of enactment
15 of this Act.

16 **SEC 403. REVOCATION BY MEMBERS OF THE CLERGY OF**
17 **EXEMPTION FROM SOCIAL SECURITY COV-**
18 **ERAGE.**

19 (a) IN GENERAL.—Notwithstanding section
20 1402(e)(4) of the Internal Revenue Code of 1986, any ex-
21 emption which has been received under section 1402(e)(1)
22 of such Code by a duly ordained, commissioned, or li-
23 censed minister of a church, a member of a religious order,
24 or a Christian Science practitioner, and which is effective
25 for the taxable year in which this Act is enacted, may be

1 revoked by filing an application therefore (in such form
2 and manner, and with such official, as may be prescribed
3 by the Commissioner of the Internal Revenue Service), if
4 such application is filed no later than the due date of the
5 Federal income tax return (including any extension there-
6 of) for the applicant's second taxable year beginning after
7 December 31, 1999. Any such revocation shall be effective
8 (for purposes of chapter 2 of the Internal Revenue Code
9 of 1986 and title II of the Social Security Act), as speci-
10 fied in the application, either with respect to the appli-
11 cant's first taxable year beginning after December 31,
12 1999, or with respect to the applicant's second taxable
13 year beginning after such date, and for all succeeding tax-
14 able years; and the applicant for any such revocation may
15 not thereafter again file application for an exemption
16 under such section 1402(e)(1). If the application is filed
17 after the due date of the applicant's Federal income tax
18 return for a taxable year and is effective with respect to
19 that taxable year, it shall include or be accompanied by
20 payment in full of an amount equal to the total of the
21 taxes that would have been imposed by section 1401 of
22 the Internal Revenue Code of 1986 with respect to all of
23 the applicant's income derived in that taxable year which
24 would have constituted net earnings from self-employment
25 for purposes of chapter 2 of such Code (notwithstanding

1 paragraph (4) or (5) of section 1402(c) of such Code) ex-
2 cept for the exemption under section 1402(e)(1) of such
3 Code.

4 (b) EFFECTIVE DATE.—Subsection (a) shall apply
5 with respect to service performed (to the extent specified
6 in such subsection) in taxable years beginning after De-
7 cember 31, 1999, and with respect to monthly insurance
8 benefits payable under title II of the Social Security Act
9 on the basis of the wages and self-employment income of
10 any individual for months in or after the calendar year
11 in which such individual's application for revocation (as
12 described in such subsection) is effective (and lump-sum
13 death payments payable under such title on the basis of
14 such wages and self-employment income in the case of
15 deaths occurring in or after such calendar year).

16 **SEC. 404. ADDITIONAL TECHNICAL AMENDMENT RELATING**
17 **TO COOPERATIVE RESEARCH OR DEM-**
18 **ONSTRATION PROJECTS UNDER TITLES II**
19 **AND XVI.**

20 (a) IN GENERAL.—Section 1110(a)(3) of the Social
21 Security Act (42 U.S.C. 1310(a)(3)) is amended by strik-
22 ing “title XVI” and inserting “title II or XVI”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect as if included in the enact-
25 ment of the Social Security Independence and Program

1 Improvements Act of 1994 (Public Law 103–296; 108
2 Stat. 1464).

3 **SEC. 405. AUTHORIZATION FOR STATE TO PERMIT ANNUAL**
4 **WAGE REPORTS.**

5 (a) IN GENERAL.—Section 1137(a)(3) of the Social
6 Security Act (42 U.S.C. 1320b–7(a)(3)) is amended by
7 inserting before the semicolon the following: “, and except
8 that in the case of wage reports with respect to domestic
9 service employment, a State may permit employers (as so
10 defined) that make returns with respect to such employ-
11 ment on a calendar year basis pursuant to section 3510
12 of the Internal Revenue Code of 1986 to make such re-
13 ports on an annual basis”.

14 (b) TECHNICAL AMENDMENTS.—Section 1137(a)(3)
15 of the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is
16 amended—

17 (1) by striking “(as defined in section
18 453A(a)(2)(B)(iii))”; and

19 (2) by inserting “(as defined in section
20 453A(a)(2)(B))” after “employers” .

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to wage reports required to be sub-
23 mitted on and after the date of enactment of this Act.